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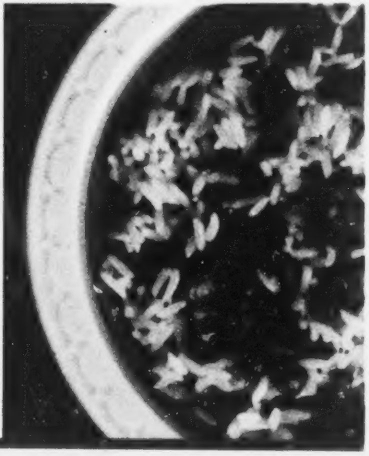

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HOTEL FORUM

CONSUMER TRENDS

"If we understand where we have been, we can figure out where we are going," notes George Rice, president of GDR/CREST Enterprises Inc., a division of NPD Research, Inc. marketers of CREST (Consumer Reports on Eating Share Trends) data.

This data is provided by 13,000 households who report their dining-out habits two weeks each quarter or eight times a year. The sample, which is broken into 288 cells, is balanced by census region, income, age, family size and housewife education.

Rice, reporting consumer trends to the Hotel Forum participants, begins by tracing the economic trends in the foodservice industry. He then breaks the information down into figures pertaining to the hotel segment.

Dramatic demand

Says Rice: "When the second world war ended, two dramatic things occurred. First, there was a boom in the number of babies that were born and they became the teenagers of the 50s and 60s.

"Second, their purchase behavior away-from-home was substantially different from their parents.

"As a result, a situation developed where demand dramatically outstripped supply. It seemed as if there was always someone standing there with a fistful of dollars to spend," he says. According to Rice, this spending pattern continued through the 70s in spite of a recession in 1975. Indeed, in 1978 and 1979, Rice reports the industry "was picking up a good head of steam."

However, in the summer of 1979, a combination of factors dealt the industry an unexpected blow.

Continues Rice: "If you look back at 1978 and 1979, you can see there was a situation developing where disposable income was declining. During the same period of time, the cost of goods, the cost of everything, was increasing.

"So there was less money to spend, and what was being purchased cost more. Those forces came together in a crunch," emphasizes Rice. At this point, the customer began to make "discretionary" choices.

"The choice is not to stop eating, of course. Nor, is the choice to stop eating away from home and only eat at home. It is the element of frequency that is affected. It is how often the customer will dine out and how much he will spend each time that is impacted," he says.

Ramada Inn believes that meeting business will increase, but the emphasis will shift to smaller meetings held on a more frequent basis.

[illegible]

The importance of building frequency is evidenced by Rice's contention that "in the past, unit expansion was the primary vehicle for growth. Today, the name of the game is customer counts."

Another factor with a direct impact on the foodservice industry was the escalating cost of fuel. "When the energy crisis hit in the summer of 1979, there was a shock factor. This had a dramatic impact on travel as well as compounding the shock the consumer was experiencing," notes Rice.

The result of the combination of these factors—a drop in disposable income, rise in cost of consumer goods, the energy crisis—was a decline in customer traffic and sales.

Since the summer of 1979, the industry as a whole has experienced two successive years of a very soft economy. However Rice believes on the basis of the CREST data, that the industry is beginning to revive.

And, although he paints the overall picture as "moderately optimistic," the hotel category has not yet benefitted by the strong upward move experienced by the rest of the industry.

Share of industry dollars

The first indication that the hotel group is not faring as well as the industry is evidenced in the share of industry dollars enjoyed by the Hotel Group segment. (See chart page 142.)

In 1981, there is a significant loss of total share of total industry dollars (nominal rather than real) by the Hotel Group category. The drop is from a 6.06 share in 1978 to a 5.27 percent share in 1981.

One particular point of interest is that from 1978 to 1980, the category share is reasonably steady—maintaining a 6+ percentage through the economic downturn experienced industry wide in 1979-1980.

Says Rice: "Another way to look at the Hotel Group in terms of sales

There are a number of us who provide a restaurant as a convenience to the hotel guest, vis-a-vis a convenience to the local community.

is to compare the hotel category to the total industry." (See chart page 142.)

"The industry in 1978 and 1979 is flat and begins to drop. However, the Hotel Group continues to increase. In fact, the hotel category actually increased dollar sales at a level exceeding the industry. The Hotel Group was up 5.7 percent in 1980 vs. the industry increase of 4.8 percent (over 1979).

However, as the industry begins to regain its strength, the Hotel Group continues to decline. In 1981, this category's performance is extremely poor with sales declining 2.6 percent vs. an industry increase of 11.7 percent over 1980.

"The restaurants are picking up and we are staying the same," notes Schulze of Hyatt. "Consequently our share goes down. People don't come back once they have left us," he hypothesizes.

John Krielaart of Ramada Inns notes: "We are impacted by airline traffic more than the restaurant industry. Due to the air traffic controller's strike, flights are operating at only 75 percent these days. This hurts us."

The hotel category's share of industry traffic has steadily declined from 3.12 percent in 1978 to 2.81 percent in 1981. "Let's look at the trends in terms of traffic," says Rice. (See chart page 142.) "Again we see the industry starting to decline in 1979, flatten out and begin to pick up in 1980. In the hotel restaurant category we see a different situation in terms of traffic. "We see the traffic in the hotel category decline. These declines were on par with the industry's in 1979. However, declines posted in 1980 and 1981 were steeper than the industry."

The Hotel category rate of traffic loss was −7.9 percent in 1980 vs. the industry's loss of −3.8 percent. However, in 1981, the industry experienced a +1.8 percent recovery of traffic. This was not enjoyed by hotel restaurants which experienced still further traffic declines, of −3.8 percent in 1981.

According to Rice, these figures suggest that the Hotel restaurant is charging more than the rest of the industry for services, cost of goods sold or menu prices. Rice suggests this is evidence of a "price elastic" market where the consumer pulls out of the market place when the value perception decreases.

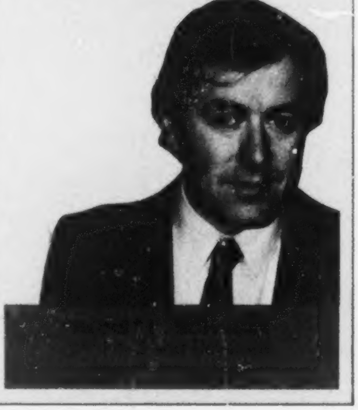
Schulze of Hyatt points out: "Some people here would suggest the decline is related to occupancy in the hotels. However, we have had no change in occupancy rates."

However, Joe Gardiner of Hilton reports that occupancy rates for their properties are down, adding: "We are down, but I think the hotel industry lags going into a recession by one or two quarters and subsequently, the industry lags coming out of a recession by one or two quarters. This has been Hilton's experience."

Hotel Group classifications

Since the Hotel Group represents a large body of companies, Rice has divided the "hotel world" into four classifications: upscale, midscale, budget uncoded hotels and inns.

Restaurant critics have a bias against hotel restaurants. As a result, we cannot fairly compete with local, freestanding restaurants.

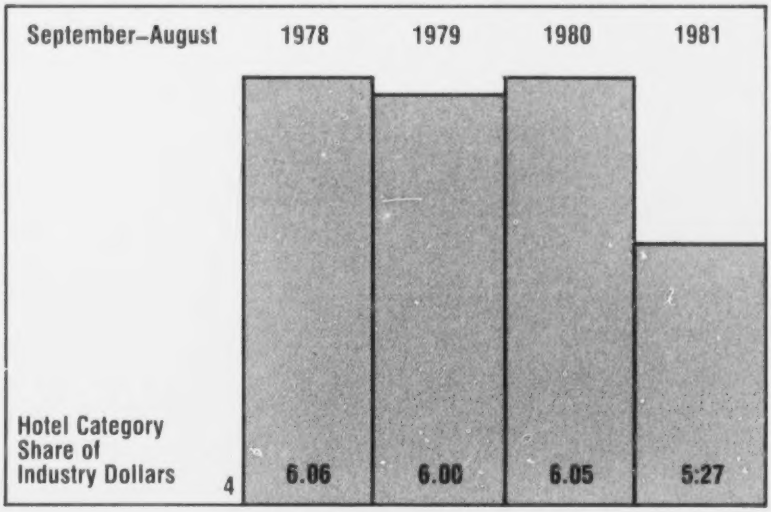


The identified major chains account for 31.1 percent of total category dollars. Midscale chains (e.g. Holiday Inns, Howard Johnson's, Ramada Inns and Sheraton) account for 23.2 percent of sales; upscale chains (e.g. Marriott, Hilton, Hyatt, Stouffer's and Radisson) account for 6.9 percent of sales; and budget chains (e.g. Red Carpet, Rodeway, Days Inns, Quality Inns and 19 other specific budget chains) account for 2 percent of sales. Uncoded hotels and inns accounted for 67.9 percent of sales for the year ending August 1981.

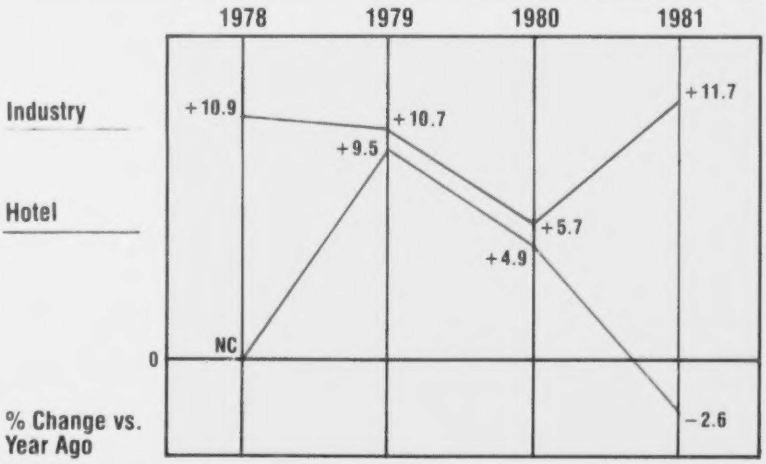
Rice says that in terms of dollar sales both the upscale and budget groups are increasing their shares.

"Another way to look at it in terms of dollars is to study at a vital indicator: customer traffic. In 1980, the upscale and midscale segments experienced steeper traffic losses than average for the category that year while the budget and uncoded group gained share points," he says.

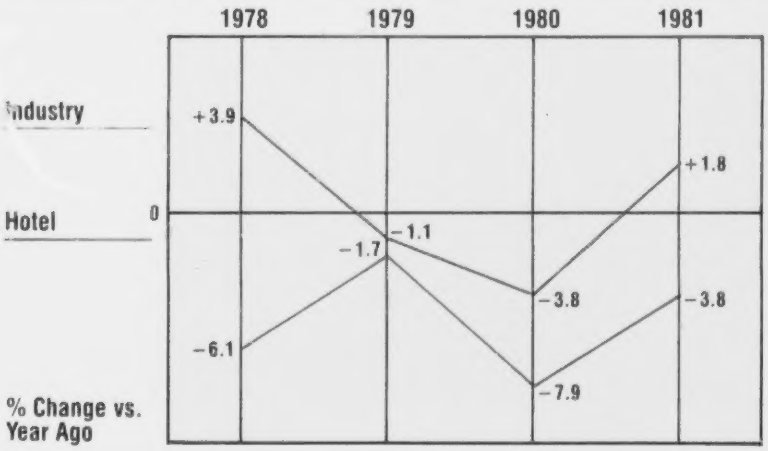
Hotel Category Sales Performance Total U.S.



Hotel Category Sales Performance—% Change



Hotel Category Traffic Performance—% Change



Along with overall improved performance for total restaurants in 1981, upscale and midscale hotel restaurants enjoyed some recovery while the remaining groups turned toward weakness.

Dealing

Perhaps assisting their stronger relative performance in 1980, budget and small chains/independents recorded increased levels of deal sales over amounts in 1979. Their deal sales level declined in 1981 as did their share hold of category traffic.

However, the highest usage of deals is reported in the midscale hotel restaurant. The 12 percent figure is higher than the industry average of 9 percent.

"What does the diary questionnaire consider a deal in a hotel restaurant?" questions Pat Maher of Holiday Inn.

Rice identifies coupons and priceoffs as deals. He notes that Holiday Inn, Howard Johnson's and Ramada Inn deal fairly successfully.

Sales breakout

One issue that triggered a lively debate was the percent of hotel restaurant dollars attributed to hotel guests. (See chart page 142.)

According to Rice: "Weaker traffic trends experienced by hotel restaurants may have been caused, at least partially, by declines in occupancy.

"While guests accounted for 38 percent of hotel restaurants sales in 1978, their contribution declined to 33 percent in 1980. Attracting the local patron becomes increasingly important," insists Rice.

According to Rice, upscale hotel restaurants have the greatest dependency on attracting local patrons since 65 percent of sales are local residents and 35 percent are guests. Midscale hotels attribute 39 percent of sales from guests and 61 percent from locals. Budget hotels are least dependent on locals since 53 percent of their sales are attributable to guests, while 47 percent are local.

Gardiner of Hilton disagrees with Rices figure indicating only 39 percent of midscale hotel restaurant business comes from the hotel guest. Says Gardiner: "I am astounded that the numbers indicated that more than 60 percent of the restaurant dollars in hotels are outside business with nothing to do with occupancy."

However Peeck of Sheraton finds the figures acceptable. Says Peeck: I am not astounded because hotels like our big convention centers in New York, Toronto and Boston have reported figures along those lines. If you throw in banquet business that figure would rise to 80 percent."

Business skew

"It is obvious that the hotel business skews toward a higher income," emphasizes Rice. "The higher the income, the far more likely the customer is to be buying."

Joan Bakos, editor of *Restaurant Business Magazine* points out: "Don't you think the hotel industry will benefit by the maturing of the population? It's an over-30 market today and that seems to skew right toward the hotel business rather than the fast food business."

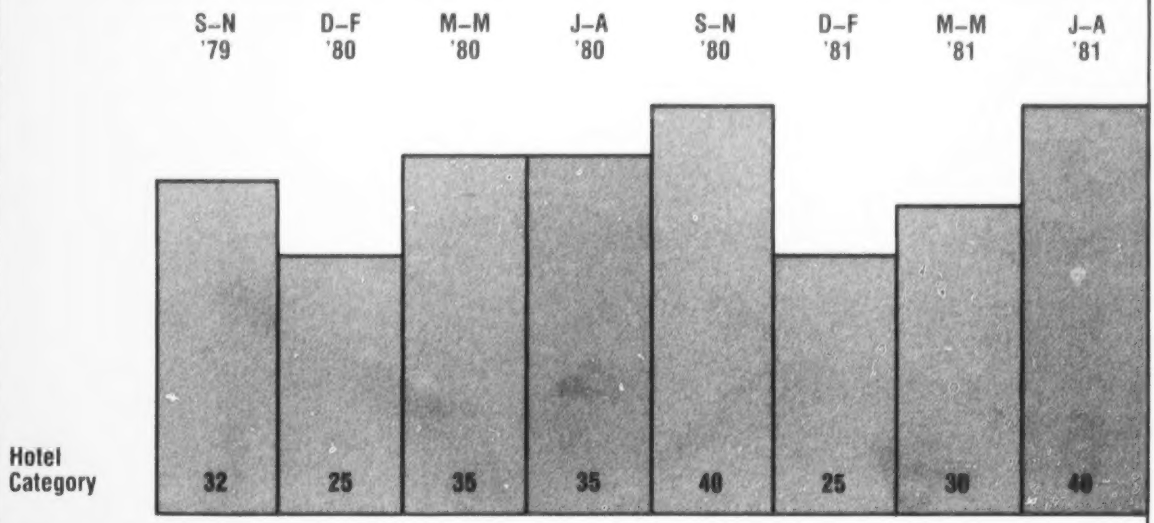
Rice agrees pointing out that there are five variables which influence the foodservice industry: disposable personal income, the CPI cost of food at-home vs. away-from-home, family travel and demographic factors including working women and as one component, age/income/family size.

"Age, income and family size are all working towards the Hotel Group's advantage," he points out. "But if you look far enough forward—another 10 or 15 years—there is another change on the horizon; An older population who spends less money."

Rice's final points are upbeat. "We think there will be real growth in 1982 and 1983; a growth in the range of two or three percent. "I suggest this bodes well for those foodservice companies—hotels included—that can identify and fit their concepts to a dramatically changing American lifestyle and consumer mix," Rice concludes.

Customers perceive that a big corporation cannot deliver that 'personal touch.' At Sheraton, we can. But it is not always easy.

Percent of Hotel Restaurant Dollars From Hotel Guests **Total U.S.**



	S–N '79	D–F '80	M–M '80	J–A '80	S–N '80	D–F '81	M–M '81	J–A '81
Midscale	45	34	37	42	45	39	30	43
Upscale	14	31	35	22	33	30	41	35
Budget	42	38	33	53	50	43	64	53
Uncoded Hotels and Inns	29	22	34	33	39	19	27	40

Charts Courtesy of GDR/CREST Ent.

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RB ROUNDTABLE

The Changing Economics of Franchising

The economic environment which fueled the rapid growth of restaurant franchising in the '50s and '60s appears to have been replaced by a much harsher climate in the '70s. To discuss the key issues facing the industry in the '80s, *Restaurant Business* sponsored a special Roundtable encompassing a wide variety of perspectives—from franchisors, franchisees, and industry experts. Their insights appear on page 81.

Ethnic Foods
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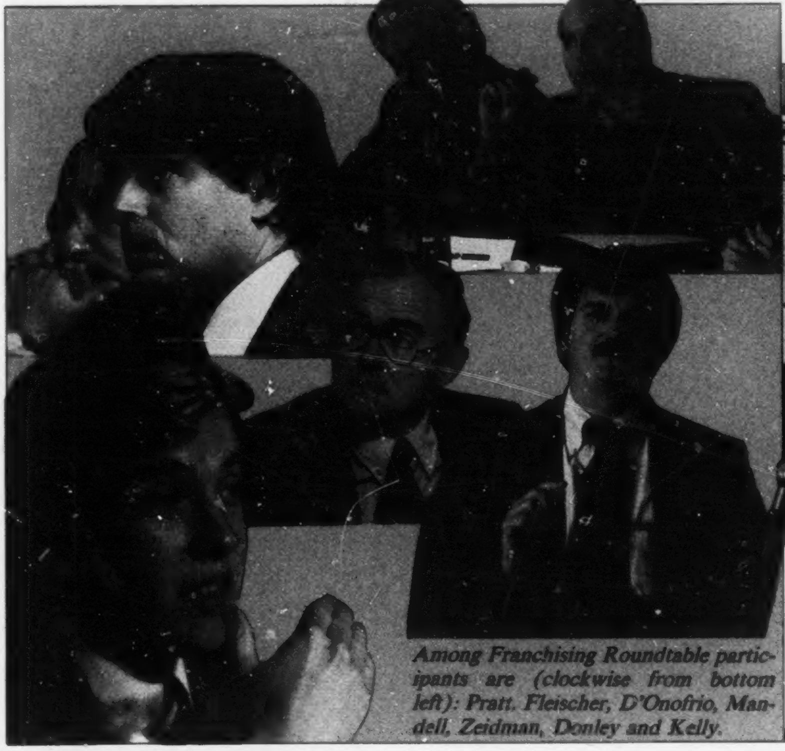

Among Franchising Roundtable participants are (clockwise from bottom left): Pratt, Fleischer, D'Onofrio, Mandell, Zeidman, Donley and Kelly.

COVER STORY

The changing economics of franchising—To discuss the key issues facing restaurant franchising in the 1980s, *Restaurant Business* convened a special Roundtable encompassing a wide variety of perspectives—from franchisees, franchisors, and industry experts . . . 81

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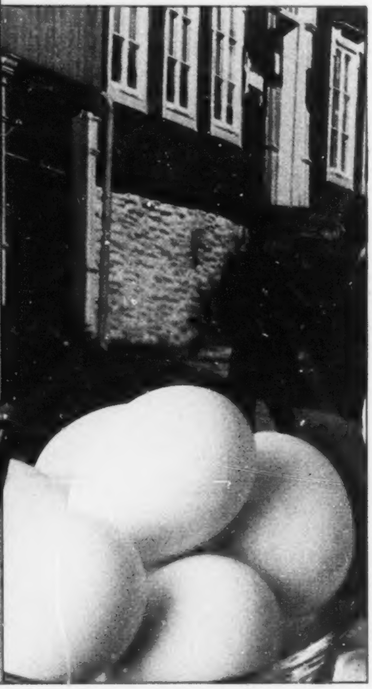
MENU IDEAS



Ethnic specialties for spring—Food editor Kathleen Kenny shows how operators can profit from a Scandinavian smorgasbord, English tea time and fine French foods without increasing food and labor costs . 137

Cover Story Reprints

To order reprints of the franchising cover story, send $3 for each copy to: Editor, Restaurant Business *Magazine, 633 Third Ave., New York, N.Y. 10017.*

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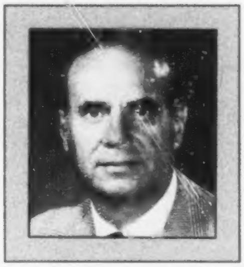

"Franchising in the Economy, 1980-81," is an updated study about franchising in the U.S. It is issued annually by the Department of Commerce and prepared by Andrew Kostecka of the Service Industries Div., Bureau of Industrial Economics. Each March, we publish excerpts from the survey on franchised restaurants.

Restaurant franchising in the economy

Franchising, as a method of distribution, has become a significant part of the U.S. economy, comprising numerous categories of commercial enterprise and including all of the ingredients of the marketing system—planning, production, packaging, pricing, promotion, advertising, selling, buying and competing. It is perhaps the only form of business organization that, by its very nature, tends to create new business units. When the franchisee joins the franchise system, the new tradename, the acquisition of a distinctive business appearance, and the standardization of products, services, and operations procedures lead to the birth of a new enterprise for the express purpose of marketing the franchisor's products or services.

To follow this rapidly growing industry, the Bureau of Industrial Economics of the U.S. Department of Commerce has conducted its eleventh annual survey of franchisors, the only one of its kind in the country. Questionnaires were mailed to all known business format franchisors. Individual returns were received from 1,584 franchisors representing an estimated 99 percent of business format franchising sales and establishments in the United States. A complete list of such franchisors is continually being maintained and updated by the Bureau of Industrial Economics through the use of trade journals, company news releases, trade association data, and registration lists of those states that require mandatory registration of all franchisors.

The franchise system of distribution continues to prove its validity as a marketing method adaptable to an ever-widening array of industries and professions, while providing immediate identity and recognition for entrepreneurs joining the system. Established companies are also turning to franchising as a means of expanding their distribution systems, by either converting their wholly owned outlets or by launching new programs.

Franchising has been called the last and best hope for independent business in an era of growing vertical integration. It helps small businesses compete with the giants, since franchisees have a good chance to survive and prosper using the franchisor's know-how and trademark or servicemark. It also offers a unique opportunity to people with limited capital and experience.

Despite problems that have plagued other sectors of the economy during 1980 and 1981, franchisors remain optimistic about their expansion goals in 1982. Franchise sales of goods and services by all franchising companies are expected to reach $437 billion in 1982, an increase of 15 percent over the estimated sales reported for 1981, while the number of establishments will reach almost 466,000 in 1982, up from 447,000 in 1981. Employment in franchising, including part-time workers and working proprietors, was 4.7 million in 1980, and is estimated to reach 5.0 million by the end of 1982.

continued on page 110

Product and tradename

Traditional types of franchising, otherwise known as product and tradename franchising, consist, primarily, of product distribution arrangements in which the franchisee is to some degree identified with a manufacturer's supplies. Typical of this segment are automobile and truck dealers, gasoline service stations, and soft drink bottlers. Together they account for 76 percent of all franchise sales for 1982.

Total sales by product and tradename franchisors are expected to reach an estimated $332 billion in 1982, compared with $287 billion in 1981 and $253 billion in 1980. The number of establishments, however, is expected to decline in 1982 to 177,000 from 182,000 in 1981 and 190,000 in 1980, due to closing of gas stations and auto/truck dealers.

Business format

This form of business activity is typical of the newer types of franchising, ranging from restaurants and non-food retailing to lodging, personal and business services, rental services, and real estate services. In business format franchising, a franchisor establishes a fully integrated relationship that includes not only product, service, and trademark but also a marketing strategy and plan, operating manuals and standards, quality control,

RESTAURANT FRANCHISING: 1980-1982*

Major Activity	Firms	1980 Total	 Company-Owned	 Franchisee-Cwned
Total	425	27,867,046	9,129,708	18,737,338
Chicken	35	2,734,006	821,926	1,912,080
Hamburgers, Franks, Roast Beef	110	14,027,398	3,412,293	10,615,105
Pizza	83	2,455,542	916,118	1,539,424
Mexican	32	878,523	394,900	483,623
Seafood	12	785,806	378,339	407,467
Pancakes, Waffles	17	784,546	245,385	539,161
Steak, Full Menu	102	5,935,804	2,917,911	3,017,893
Sandwich and Other	34	265,421	42,836	222,585

** Estimated by respondents for 1981 and 1982.*

RESTAURANT FRANCHISING: 1980-1982*

Major Activity	Firms	1980 Total	 Company-Owned	 Franchisee-Owned
Total	425	59,959	17,826	42,133
Chicken	35	7,338	2,131	5,207
Hamburgers, Franks, Roast Beef	110	27,027	5,363	21,664
Pizza	83	8,914	3,389	5,525
Mexican	32	2,774	1,208	1,566
Seafood	12	2,290	1,088	1,202
Pancakes, Waffles	17	1,278	367	911
Steak, Full Menu	102	8,858	4,013	4,845
Sandwich and Other	34	1,480	267	1,213

** Estimated by respondents for 1981 and 1982.*

U.S. FRANCHISED RESTAURANTS, 1980-1982 SUMMARY

Item	1980	1981*	1982*	Percent Changes 1980-81	 1981-82
Total number of establishments:	59,959	63,540	69,137	6	9
Company-owned	17,826	18,691	20,056	5	7
Franchisee-owned	42,133	44,849	49,081	6	9
Total sales of products and services: ($000)	27,867,046	31,567,110	36,483,817	13	16
Company-owned	9,129,708	10,281,362	11,710,723	13	14
Franchisee-owned	18,737,338	21,285,748	24,773,094	14	16
Total sales of products and services by Franchisors to Franchisees: ($000)					
Merchandise (non-food) for resale	50,567	55,771	62,600	10	12
Supplies (such as paper goods, etc.)	236,141	301,022	346,489	28	15
Food ingredients	477,162	625,520	691,956	31	11
Other	30,081	34,409	39,542	14	15
Total	793,951	1,016,722	1,140,587	28	12

** Data estimated by respondents.*

SALES ($000)

1981			1982		
Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
31,567,110	10,281,362	21,285,748	36,483,817	11,710,723	24,773,894
3,110,592	951,971	2,158,621	3,638,673	1,129,065	2,509,608
16,007,923	3,825,938	12,181,985	18,499,599	4,306,843	14,192,756
2,779,939	1,014,200	1,765,739	3,323,588	1,151,364	2,172,224
1,024,548	471,205	553,343	1,268,793	583,382	685,411
927,271	468,285	458,986	1,069,353	566,342	503,011
879,154	280,099	599,055	1,011,703	312,666	699,037
6,521,277	3,217,521	3,303,756	7,270,273	3,593,806	3,676,467
316,406	52,143	264,263	401,835	67,255	334,580

NUMBER OF UNITS

1981			1982		
Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
63,540	18,691	44,849	69,137	20,056	49,081
7,682	2,234	5,448	8,197	2,395	5,802
28,715	5,666	23,049	30,989	6,098	24,891
9,332	3,396	5,936	10,251	3,557	6,694
3,034	1,315	1,719	3,639	1,504	2,135
2,509	1,207	1,302	2,722	1,383	1,339
1,344	405	939	1,447	414	1,033
9,268	4,174	5,094	9,883	4,359	5,524
1,656	294	1,362	2,009	346	1,663

and a communications system that provides for information feed-forward and feed-back.

Sales of business format franchisors are expected to be around $105 billion in 1982, compared with $93 billion in 1981 and $84 billion in 1980. In contrast to product and tradename franchises, the number of establishments of business format franchises is expected to increase to almost 289,000 in 1982 from about 253,000 units in 1980.

Large franchisors continue to dominate business format franchising, with 55 companies accounting for 54 percent of all sales and for 54 percent of all establishments in 1980. These companies, of which 25 are engaged in automotive products and services, and restaurants, reported 136,757 outlets with sales of $45 billion.

Sales of products and services by business format franchisors to their franchisees totaled $5.4 billion in 1980 and might rise to about $6.1 billion by 1982. Franchisor sales of merchandise for resale were largest in the non-food retailing category—$1.9 billion in 1980—followed by automotive products and services—$1.7 billion. Franchising sales of food ingredients amounted to $1.2 billion in 1980, of which $477 million went to restaurants and $599 million to food retailers other than convenience stores.

Trends

As more and more Americans eat meals away from home, the restaurant sector will go on being the most dynamic, popular, and among the most successful in the franchising system of distribution. Ethnic restaurants will move in increasing numbers into the marketplace.

A new frontier in franchising will be that of professional services such as dental centers, insurance agents, lawyers, and optical centers. In addition, franchising in real estate should expand rapidly, with large franchisors emerging as giants in the business. More and more independent real estate brokers will join real estate franchisors seeking the advantage of immediate national image and the benefits of a national chain.

In the years ahead franchising will widen its scope to include a variety of service industries such as barter brokers, hair-styling salons, health and fitness services, and franchises that concentrate on convenience and specialization. Small businesses in these industries have found it advantageous to enter franchising, mainly because of its emphasis on market research techniques that gauge consumer demand, thus helping assure a ready market for products and services.

More franchising is also expected in a broad range of computerized services, including all types of home computers, tax services, and related computerized services geared to the needs of small- and medium-sized businesses and professions.

Despite the slow pace of the overall economy, the unimpressive performance of the retailing sector, the sluggishness of industrial production, plunging housing starts and sales, and high interest rates in 1981, a record number of firms turned to franchising as a way to help them distribute their goods or services.

Although some 125 franchisors either failed or discontinued franchising as a method of doing business in 1981, a total of 250 companies entered the field of franchising

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TOP 25 FRANCHISE RESTAURANT SYSTEMS

1980-81 system wide sales by company and franchisee
(Sales in millions of dollars)

Franchise system	1980		1981		'80-'81 % Change
McDonald's	$6,226.	(1,698c/4,528f)	$7,128.6	(1,915.9c/5,212f)	15
Kentucky Fried Chicken ***	2,194.	(330c/1,864f)	2,490.	(383c/2,107f)	14
Burger King ***	1,844.	(341c/1,503f)	2,135.	(351c/1,784f)	16
Wendy's	1,209.	(310c/899f)	1,424.2	(440.2c/984f)*	18
Pizza Hut	1,031.	(497c/534f)	1,247.	(588c/659f)*	21
International Dairy Queen ***	1,020.	(1.5c/1,018.5f)	1,125.	(2c/1,123f)	10
Big Boy	800.	(145c/655f)**	845.	(155c/690f)*	6
Hardee's ***	751.6	(262.6c/489f)	843.6	(306.6c/536f)	12
Arby's	478.	(62c/416f)	525.**	(60.1c/453.9f)**	10
Church's ***	466.1	(391.7c/64.4f)	512.	(408.6c/103.4f)	10
Ponderosa ***	481.5	(328.4c/153.1f)	487.1	(334c/153.1f)	1
Howard Johnson's ***	441.**	(324c/117f)**	472.*	(346.8c/125.2f)*	7*
Taco Bell ***	387.*	(200.4c/186.6f)*	464.4*	(240.5c/223.9f)*	20*
Long John Silver's ***	386.6	(218.6c/168f)	463.9	(275.9c/188f)	20
Dunkin Donuts ***	311.7	(26.3c/285.4f)	390.	(24c/366f)	25
Bonanza ***	395.	(0c/395f)	374.8	(0c/374.8f)	(5)
Burger Chef ***	337.	(109c/228f)	340.	(123c/217f)	1
Sizzler ***	259.	(84c/175f)	295.7	(94.1c/201.6f)	14
Sonic Drive Ins ***	279.	(28c/251f)	285.	(25.5c/259.5f)	2
Perkin's 'Cake & Steak ***	243.6	(86.4c/157.2f)	266.	(87.9c/178.1f)	9
Mr. Donut	218.6	(0c/218.6f)	243.5	(0c/243.5f)	11
International House of Pancakes	213.6	(32.7c/180.9f)	224.5*	(56.9c/167.6f)*	5*
A & W ***	246.	(1c/245f)	218.	(0.6c/217.4f)	(11)
Pizza Inn	201.5	(97.5c/104f)	213.4**	(106.8c/106.6f)**	6
Roy Rogers	167.9*	(120.6c/47.3f)*	208.1*	(154.7c/53.4f)*	24

1980-81 system wide units by company and franchisee

Franchise system	1980		1981		'80-'81 % Change
McDonald's	6,263	(1,608c/4,655f)	6,739	(1,746c/4,993f)	8
Kentucky Fried Chicken ***	6,242	(1,169c/5,073f)	6,357	(1,196c/5,161f)	2
Burger King ***	2,766	(444c/2,322f)	3,022	(451c/2,571f)	9
Wendy's	2,034	(506c/1,528f)	2,229	(748c/1,481f)	10
Pizza Hut	3,985	(1,990c/1,995f)	4,060	(2,005c/2,055f)	2
International Dairy Queen ***	4,833	(6c/4,827f)	4,805	(6c/4,799f)	(0.6)
Big Boy	1,150	(205c/945f)	1,180	(213c/967f)	3
Hardee's ***	1,320	(491c/829f)	1,379	(531c/848f)	4
Arby's	1,053	(120c/933f)	1,146	(122c/1,024f)	9
Church's	1,260	(1,001c/259f)	1,363	(1,052c/311f)	8
Ponderosa ***	681	(450c/231f)	698	(462c/236f)	2
Howard Johnson's ***	847	(622c/225f)	844	(627c/217f)	(0.4)
Taco Bell ***	1,270	(736c/534f)	1,396**	(810c/586f)**	10
Long John Silver's ***	1,033	(578c/455f)	1,125	(651c/474f)	9
Dunkin Donuts ***	1,055	(73c/982f)	1,155	(68c/1,087f)	10
Bonanza ***	682	(0c/682f)	630	(0c/630f)	(8)
Burger Chef ***	751	(244c/507f)	725	(258c/467f)	(3)
Sizzler ***	452	(128c/324f)	478	(137c/341f)	6
Sonic Drive Ins ***	1,123	(126c/997f)	1,046	(112c/934f)	(7)
Perkin's 'Cake & Steak	373	(106c/267f)	341	(101c/240f)	(9)
Mr. Donut	835	(0c/835f)	891	(0c/891f)	7
International House of Pancakes	500	(112c/388f)	501	(141c/360f)	0.2
A & W	1,318	(3c/1,315f)	1,100	(1c,1,099f)	(17)
Pizza Inn	745	(366c/399f)	734	(317c/417f)	(1)
Roy Rogers	287	(201c/86f)	335	(238c/97f)	17

* *Estimated by Restaurant Business*
** *Company estimate*
*** *Fiscal year-end results (remainder are calendar year-end results)*

Source: Restaurant Business

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Franchising Report *continued from page 111*

for the first time; this is a nine percent net gain over the number of franchisors that entered the system the previous year. This trend is expected to continue over the next few years.

The most significant developments in franchised regulation are expected to be at the state level. More attention will be given to state registration laws in an effort to reduce some of the compliance burdens of franchisors. With the growing number of state business opportunity laws, franchisors not having federally registered trademarks will not only have to comply with these laws, but also with the usual franchise laws. There should also be a continuing movement in state legislatures to propose regulations affecting franchising terminations, renewals and transfer policies.

> The most significant developments in franchised regulation are expected to be at the state level with more attention on registration laws.

International markets

Foreign markets are continuing to attract the attention of franchise company management. Despite rising costs and problems peculiar to individual nations, markets in many developed countries are increasingly exhibiting the same attributes that fostered the franchising surge in the United States. These attri-

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RESTAURANT FRANCHISING
GROWTH IN SALES, 1976-1981
(SALES: $000)

Major Activity	Total Sales			Company-owned			Franchisee-owned		
	$ 1976	$ 1981*	% Change	$ 1976	1981*	% Change	$ 1976	1981*	% Change
Total	14,606,313	31,567,110	116	4,647,136	10,281,362	121	9,959,177	21,285,748	114
Chicken	1,609,270	3,110,592	93	483,143	951,971	97	1,126,127	2,158,621	92
Hamburgers, Franks, Roast Beef	8,030,623	16,007,923	99	1,999,638	3,825,938	91	6,030,985	12,181,985	102
Pizza	1,091,534	2,779,939	155	445,145	1,014,200	128	646,389	1,765,739	173
Mexican	309,113	1,024,548	232	140,985	471,205	234	168,128	553,343	229
Seafood	439,762	927,271	111	169,889	468,285	176	269,873	458,986	70
Pancakes, Waffles	464,462	879,154	89	89,975	280,099	211	374,487	599,055	60
Steak, Full Menu	2,585,786	6,521,277	152	1,310,103	3,217,521	146	1,275,683	3,303,756	159
Sandwich and Other	75,763	316,406	318	8,258	52,143	531	67,505	264,263	292

* *Estimated by survey respondents for 1981*

Source: U.S. Dept. of Commerce, Restaurant Business

RESTAURANT FRANCHISING
GROWTH IN NUMBER OF UNITS, 1976-1981

Major Activity	Total Units			Company-owned			Franchisee-ownad		
	1976	1981*	% change	1976	1981*	% change	1976	1981*	% change
TOTAL	46,898	63,540	40	12,562	18,691	49	34,336	44,849	31
Chicken	6,171	7,682	25	1,705	2,234	31	4,466	5,448	22
Hamburgers, Franks, Roast Beef, etc.	24,064	28,715	19	3,997	5,666	42	20,067	23,049	15
Pizza	5,745	9,332	62	2,413	3,396	41	3,332	5,936	78
Mexican (Taco, etc.)	1,652	3,034	84	610	1,315	116	1,042	1,719	65
Seafood	1,831	2,509	37	680	1,207	76	1,151	1,302	13
Pancakes, Waffles	1,226	1,344	10	263	405	54	963	939	(3)
Steak, Full Menu	5,669	9,268	64	2,849	4,174	47	2,820	5,094	81
Sandwich and Other	540	1,656	207	45	294	553	495	1,362	175

* *Estimated by survey respondents for 1981*

Source: U.S. Dept. of Commerce, Restaurant Business butes include: rising demand for consumer goods and services, expanding urbanization, increasing consumer mobility, and an economy shifting its emphasis from manufacturing to services.

Franchising is no longer an exclusively U.S. phenomenon. Franchisors in other countries are beginning to penetrate international markets, especially the attractive U.S. market, which has become a high-priority target for franchisors from Canada and Europe.

The U.S. Department of Commerce survey reveals that 279 franchising companies operated 20,428 outlets in foreign countries in 1980; this compares with 275 franchisors with 19,449 outlets in 1979, and, in 1971, 156 companies with 3,365 foreign outlets. Furthermore, 150 additional companies have indicated that they are considering extending their U.S. operations to foreign countries by the end of 1983. This interest has been expressed mostly by smaller and medium-sized franchisors, marketing a variety of services and products. Of the companies seeking foreign markets, 33 are franchisors of restaurants, 34 are involved in business aids and services, and 30 are engaged in a variety of non-food retailing activities.

The form of entry into foreign markets varies considerably, with many firms using more than one method in conducting foreign operations. Of the 279 franchisors doing business in foreign countries in 1980, 263 sold their outlets to franchisees either directly or through a master licensee who received the right to develop the franchisor's system in a specific country or region; 19 operated joint ventures; and 29 had some company-operated units. Twenty-three of these companies derived 10 percent or more of their income from foreign operations, 23 firms received between five and nine percent, 94 between one and four percent, and 139 received less than one percent.

Canada continues to be the dominant market for U.S. franchisors, despite its declining share of U.S. foreign outlets. In 1980, 36 percent of all U.S. foreign franchised outlets were located in Canada, down from a high of 46 percent in 1971. A total of 207 franchising firms with 7,191 units operated in Canada in 1980, predominantly in non-food retailing (1,497), restaurants of all types (1,227), and automotive products and services (1,024). Japan continues to be the second-largest market for U.S. franchisors, with a total of 3,448 units (of which 72 percent represent various food categories such as restaurants, donut shops, ice cream stores, and convenience food stores). The United Kingdom ranks third, with 2,031 outlets, while 2,801 outlets are located in all of Continental Europe. Other foreign markets include: the Caribbean, Asia (other than Japan and Middle East), Australia, the Middle East, South America, Mexico, Central America, Africa, and New Zealand.

> Franchisors in other countries are beginning to penetrate other international markets, especially the attractive U.S. market, which has become a high-priority target for franchisors from Canada and Europe.

Changes in ownership

Changes in ownership in 1980 involved 10,126 units belonging to 889 franchisors. These changes included conversions to franchisee-owned or to company-owned operations, and discontinuation of either company-owned or franchisee-owned outlets. Specifically, 808 outlets were purchased for company ownership, while 1,012 were converted to franchisee ownership; as in previous years the largest portion of these changes occurred in the restaurant sector of franchising. The number of establishments discontinued in 1980 stood at 8,306, of which 1,208 were company-owned and 7,008 franchisee-owned.

Since 1975, the trend in franchising has reflected an increase in conversions of company-owned units to franchisee ownership, and, as in previous years, the survey shows that most units repurchased for company ownership were temporary buy-backs for a multitude of reasons, the least of which was the company's desire to withdraw from the franchise system or to operate these units permanently themselves.

Failures and departures

A total of 50 franchisors operating 1,866 outlets failed during 1981, according to the U.S. Department of Commerce survey. The volume of 1980 sales for the 50 firms that failed in 1981 amounted to $206 million, of which the franchisee-owned portion was $175 million. Compared to total business format franchising sales of $85 billion, the $206 million should be regarded as minimal. In addition, 75 companies decided in 1981 to discontinue franchising as a method of doing business; these companies operated 2,820 units in 1980 with $519 million in sales, of which 1,908 outlets with $353 million in sales were franchisee-owned.

The number of annual franchisor failures and departures has been slowing. In 1978, it stood at 74, jumping to 119 in 1979, six less than the figure for 1981.

Franchise arrangements

The survey revealed that in 1980, 71 percent of the currently operating business format franchising companies, covering 20 broad categories, issued franchise agreements of varying lengths, many of which, especially in the retail field, were associated with a lease. In all companies, these agreements provided an opportunity for the franchisee to enter into a new agreement at the end of the original term. Although the terms of the agreements vary all the way from one year to perpetual,

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more than 43 percent are of 20 years or more in duration. The most popular lease is that of 10 years in duration, used by 24.1 percent of the respondents. The least popular lease arrangement is that of three years in duration, agreed to by only 2.3 percent of the respondents.

Renewals, terminations, and transfers

In 1980, 11,411 franchise arrangements came up for renewal, of which 10,202, or 89 percent, were renewed and 1,209 franchises were not. Of the latter, 213 were not renewed because of objections by the franchisor, 536 because the franchisee did not wish to renew, and 460 because of mutual agreement.

There were 6,756 terminations of franchise agreements in 1980, of which 2,780 were terminated by franchisors—1,597 for non-payment of royalties or other financial obligations, 169 for the franchisee's failure to comply with quality control standards, and 1,014 for other reasons not identified. Franchisees were responsible for terminating 3,546 franchise agreements, while an additional 430 were terminated by mutual consent.

A total of 3,522 franchisees in 1980 asked permission from their franchisors to sell their franchises to other business persons; all but 96 transfers were approved.

> Since 1975, the trend in franchising has reflected an increase in conversions of company-owned units to franchisee ownership.

Retail sales

Spending on retail goods, in general, was flat in 1981, as the growth in installment credit slowed and personal savings increased. Retail sales of all firms associated with the franchisee system, both franchisee-owned and company-owned, reached an estimated $334 billion and accounted for 32 percent of all U.S. retail sales—estimated at $1,045 billion in 1981. Retail franchising accounts for 88 percent of all franchising gross receipts.

Franchised retail sales should increase by 15 percent in 1982 and account for almost 34 percent of total retail sales. Much of the 1982 increase in retail sales will come from improved sales for consumer durable goods and discretionary spending. Sales of new automobiles, household appliances, furniture, and apparel should all increase; sales of other, non-durable goods will show smaller increases.

Restaurant franchising

Franchised restaurants of all types, with their distinctive and easily recognized operations, are continuing in success and popularity. Menu expansion and diversification is proliferating, breakfast sales as well as units serving breakfast are on the rise, promotions are being expanded, and franchise chains have increased advertising to meet competition, build traffic, boost sales, introduce new items, and enter new markets. Further expansion in foreign countries is the key goal of many chains. Conglomerate and corporate ownership of major franchise chains have risen and foreign ownership of franchisors has proliferated.

In their search for new franchisees, franchisors will be more competitive. They will also make service areas more resistant to economic downturns, franchise smaller

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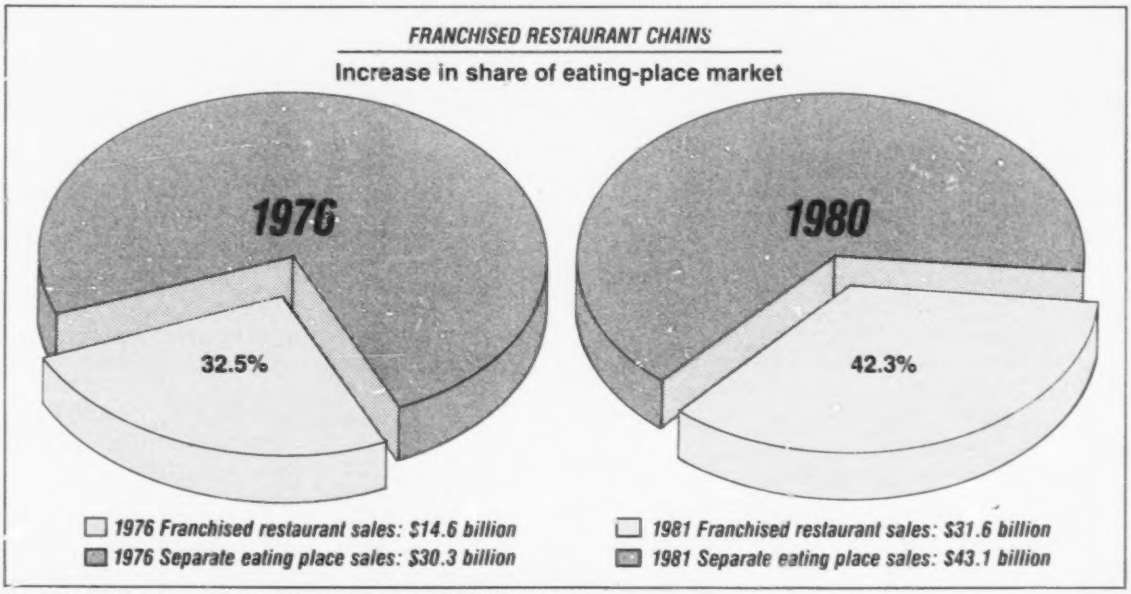

(based on total sales of $44.9 billion in '76, and $74.7 billion in '81)

stores to reduce costs, seek broader audiences, add new products, and expand remodeling of existing units.

Sales of franchised restaurants of all types reached almost $32 billion in 1981, up 13 percent over a year earlier; they are expected to jump about 16 percent, to $36 billion in 1982. Franchised restaurants numbered 59,959 in 1980, increased to 63,540 in 1981, and are expected to rise to slightly more than 69,000 in 1982. The highest concentration of franchised restaurants continues to be in California, Texas and Ohio. Summaries of these findings are contained in the tables accompanying this report.

Employment in the franchised restaurant sector stood at 1,612,479 in 1980, up from the 1,497,283 of a year earlier in a rise of almost eight percent. Employment in the franchised restaurant industry accounts for almost 35 percent of employment in the franchise system as a whole and should continue to rise in the next few years. Furthermore, franchised restaurant employees accounted for an estimated 40 percent of all persons employed in eating places in the U.S.

Franchised restaurants numbered 63,540 in 1981 (sales reached $32 billion) with the highest concentration of units in Texas, California and Ohio.

Entry into the restaurant franchising system, mostly by small companies, continued in 1980 with a net gain of 26 franchisors, bringing the total to 425. During 1981, 11 franchisors with a total of 136 restaurants, 110 franchisee-owned, went out of business, while 21 franchisors with a total of 335 restaurants, 116 franchisee-owned, decided to abandon franchising as a method of marketing.

There were 14 big franchisors with more than 1,000 units each in 1980. These 14 franchisors had 32,871 restaurants, 55 percent of all franchised restaurants, and accounted for $16.6 billion in sales, almost 60 percent of total franchised restaurant sales for the year.

Despite high real estate costs, indigenous eating habits, high labor costs in some countries, consumer resistance, and intense competition, American restaurant franchisors are moving into foreign markets at a rapid rate. In 1980, 57 restaurant franchisors operated 3,943 units throughout the world. Another 33 franchisors plan to extend their operations to foreign countries by the end of 1983. Canada is the largest

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U.S. FRANCHISED RESTAURANTS*
Number of Establishments by State: 1980

State	Total	Company-Owned	Franchisee-Owned	State	Total	Company-Owned	Franchisee-Owned
Alabama	1,096	267	829	Nebraska	499	143	356
Alaska	75	3	72	Nevada	244	86	158
Arizona	904	210	694	New Hampshire	129	25	104
Arkansas	615	128	487	New Jersey	963	165	798
California	5,395	1,461	3,934	New Mexico	381	62	319
Colorado	1,043	302	741	New York	2,096	545	1,551
Connecticut	438	142	296	North Carolina	1,354	332	1,022
Delaware	103	18	85	North Dakota	191	10	181
District of Columbia	102	49	53	Ohio	3,298	1,138	2,160
Florida	2,514	982	1,532	Oklahoma	1,201	463	738
Georgia	1,790	731	1,059	Oregon	709	173	536
Hawaii	171	60	111	Pennsylvania	1,884	546	1,338
Idaho	247	34	213	Rhode Island	105	37	68
Illinois	2,751	833	1,918	South Carolina	766	214	552
Indiana	1,788	504	1,284	South Dakota	198	23	175
Iowa	1,079	173	906	Tennessee	1,276	400	876
Kansas	862	212	650	Texas	5,152	1,755	3,397
Kentucky	1,189	306	883	Utah	324	84	240
Louisiana	899	278	621	Vermont	48	3	45
Maine	145	44	101	Virginia	1,282	385	897
Maryland	706	242	464	Washington	874	205	669
Massachusetts	682	229	453	West Virginia	431	156	275
Michigan	2,446	766	1,680	Wisconsin	1,162	255	907
Minnesota	1,170	313	857	Wyoming	153	13	140
Mississippi	606	87	519				
Missouri	1,352	482	870				
Montana	187	8	179	TOTAL	55,075	16,082	38,993

** Represents 92 percent of total establishments.*
The remaining eight percent were unable to provide a geographic breakdown for this report.

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market for franchisors of restaurants, followed by Japan, the United Kingdom and Continental Europe.

Prior to 1976, the repurchasing of franchisee-owned restaurant units surpassed that of company units converted to franchisee-owned units. This trend seems to have reversed itself in 1976, when the number of units repurchased for company ownership declined from 311 to 280, while the number of units converted to franchisee ownership jumped from 184 to 413. In 1980, 394 units were repurchased for company ownership, while 498 were converted to franchisee ownership.

To compete with other restaurant chains, many franchise operators have become more customer-oriented and are offering such amenities as tableservice and self service (including drive-ins and drive-thrus). Most restaurants offer one type or the other, but 20 franchisors offer both types of services, with one type clearly dominating. Only three chicken chains offer tableservice, as compared with 83 steak and full-menu restaurant companies with tableservice. One hundred and two hamburger companies feature self service; only seven have tableservice. With pizza chains, the numbers are more evenly divided: 48 offer self-service and 35 provide tableservice.

To increase sales volume and compete with fast food restaurants, convenience stores are offering a wide variety of take-out foods.

Convenience stores

Strong growth is being experienced by convenience stores both in number of stores and dollar volume, as they provide many "fill-in" items that consumers need between regular excursions to the supermarket. Growing numbers of convenience stores are realizing extra sales by installing on their premises gasoline pumps, usually self-service. To increase sales volume and compete with fast food restaurants, convenience stores are offering a wide variety of takeout foods such as hot and cold sandwiches, coffee, chicken, hot dogs, and an assortment of other dishes, pre-cooked by the supplier requiring reheating or reconstituting in a microwave oven.

Despite intensified competition from supermarkets offering extended hours and Sunday shopping, franchised convenience stores are growing steadily in both sales and outlets. Sales moved up to $8.7 billion in 1981, 11 percent above a year earlier while the number of franchised establishments were reported to be 16,255. Further gains are expected in 1982, five percent in sales and seven percent in number of establishments.

Food retailing

The retailing of food by specialty food shops, donut shops, ice cream stores, coffee services, and others amounted to $8.3 billion in 1981, 11 percent above the previous year. Sales in 1982 for this sector are expected to reach $9.2 billion. The number of food-retailing establishments in 1981 was 16,263, a figure predicted to rise to 17,362 in 1982.

Two of the better-known groups in the food-retailing category are donut shops and ice cream stores. In 1980, there were 21 franchisors of donut shops providing jobs for 34,870 workers. Twenty-eight franchisors of ice cream stores created employment for 37,557 persons, also in 1980. Sales and units for the year 1980-82 are listed for these

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INTERNATIONAL RESTAURANT FRANCHISING IN 1980
Location and Number of Establishments*

Major Activity	U.S. Firms	Total	Canada	Mexico	Caribbean	Europe		Asia		Australia	Other**
						United Kingdom	Other	Japan	Other		
Total	57	3,943	1,227	96	178	511	249	934	201	330	217
Chicken	6	1,298	88	63	77	304	45	319	60	198	144
Hamburgers, etc.	15	1,888	869	0	61	195	201	391	89	32	50
Pizza	8	263	18	14	12	7	1	48	47	94	22
Mexican	5	24	2	0	20	0	0	0	1	1	0
Seafood	4	57	53	0	0	0	0	4	0	0	0
Pancakes, etc.	3	16	7	0	0	0	0	8	1	0	0
Steak, full menu, etc.	14	395	189	19	8	5	2	164	3	4	1
Sandwich, others	2	2	1	0	0	0	0	0	0	1	0

* *Includes company-owned, franchisee-owned and joint ventures*

** *Includes South-America (15), Africa (95), New Zealand (53), Central American (54)*

Source: U.S. Department of Commerce, Bureau of Industrial Economics

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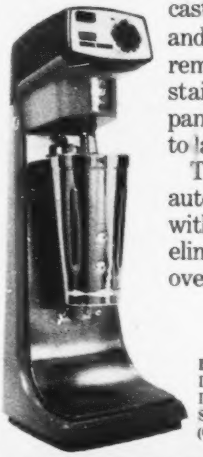

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> The hotel and motel industry should show continued strength during the next few years, reflecting a concerted effort to accommodate international travelers as well as travelers of specific age groups.

two types of food retailers in the accompanying tables.

Hotels and motels

Shorter work weeks, longer vacations, increased numbers of holidays and days off, and earlier retirement have all contributed to the success story of the sector that includes the hotel and motel industry, as well as a variety of entertainment, recreation, and travel business. With sales for the leisure and travel business sector of franchising estimated at $11.4 billion in 1981, franchisors are expecting an 11 percent increase in 1982, to an estimated $12.6 billion. The number of establishments is also expected to increase, from 11,554 in 1981 to 12,297 the following year.

The hotel and motel industry in particular should show continued strength during the next few years, reflecting a concerted effort to accommodate the international traveler as well as travelers of specific age groups. Hotel, motel and campground franchisors in 1981 represented 6,645 establishments, with receipts estimated at $10.7 billion. Survey respondents expect that receipts will rise 10 percent in 1982, to an estimated $11.8 billion.

Occupancy rates at major domestic hotels stood just below 69 percent in 1981, off about two percentage points primarily because of increased air fares, cutbacks in business travel, resistance to increased room rates, and a decline in the number of foreign travelers. However, with the addition of new rooms to existing establishments and the edging-up of room prices, the industry is reporting consistently higher receipts. Room prices are expected to average more than $45 per room in 1981, compared with $42 per room in 1980 and $39 in 1979.

Recreation, entertainment and travel

Franchising firms that are engaged in the recreation and entertainment and travel business report estimated sales of $618.8 million in 1981; for 1982 they are expected to climb an additional $211.1 million. This reflects an increased percentage (estimated) of almost 30%.

DONUT SHOPS *(21 franchisors)*

	Sales ($000)			Units		
	Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
1980	687,853	65,243	622,610	2,596	215	2,381
1981*	813,530	88,081	725,449	2,771	207	2,564
1982*	919,679	99,597	820,082	2,972	214	2,758

** Estimated by respondents.*

ICE CREAM STORES *(28 franchisors)*

	Sales ($000)			Units		
	Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
1980	693,246	22,274	670,972	5,516	153	5,363
1981*	777,508	23,058	754,450	5,814	106	5,708
1982*	878,595	24,805	853,790	6,268	111	6,157

** Estimated by respondents.*

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THE FEEDING OF AMERICA

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Restaurant
Business

May 1, 1982 VOL. 81, NO. 6

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How life-style shifts will shape our future

by Thayer C. Taylor

The most dominant market trend of the decade will be the maturing of the baby boomers who will trigger a sharp increase in consumer buying power.

Restaurant marketers will be selling to an upscale market in the 1980s as the baby boom generation moves toward the peak income years of the life cycle and as upper-level life-style groups continue to flourish (see Life-style table.) At the same time, however, forces outside the industry, such as a potential crisis in personal value systems and the convergence of computer and telecommunications technologies, will strongly influence people's decisions on whether to eat out or eat in.

The most dominant market trend of the decade will be the maturing of the baby boomers, making the 35-44 year-old age group the fastest growing segment. Because of their sheer numbers and their acquired job experience, the baby boomers will trigger a sharp upward thrust in consumer buying power.

According to Martin Duffy, vice president, Data Resources Inc., an econometric forecaster in Lexington, Mass., projections by DRI show consumer buying units in this age group (35-44) fattening their share of total personal income from 21.6 percent in 1980 to 25.8 percent in 1990, the largest bundle of any age group.

From another perspective, Walter Dolde, General Electric economist, estimates that the $35,000-$49,999 and $50,000-and-over income segments will each increase its aggregate income more than $200 billion over the course of the decade.

Although upper income households spend more than twice as much on eating out than the typical family, the oncoming income cornucopia won't guarantee success for all industry outlets. Markets will become more fractionated as rising income and educational levels enable consumers to choose to pursue alternative life-styles among more options. Picking the right market target, divining its needs and wants, and developing products and services to satisfy those requirements will call for more sophisticated planning, not to mention more sensitive monitoring of life-style trends.

The demographic basics—age, income, education—will help marketers formulate winning sales strategies. But the newer life-style analysis that gives more dimension to demographics will provide additional insights into why consumers behave the way they do. Life-styles, in brief, pertain to the values people believe in, the attitudes they have, and the manner in which they conduct their lives.

The linkage between demographics and life-styles is capsuled this way by Roger Blackwell of Management Horizons, a Columbus, Ohio, marketing research firm: "Although rising incomes mean that consumers can conceivably buy more of everything, they cannot conceivably do more of everything because of time restrictions." An individual's life-style, he adds, is a strong determinant of how he allocates his money and time.

Although life-style enthusiasts insist their way of classifying consumer groups is superior because it cuts across all age, income, and education groups, certain demographics offer a helpful quantitative measure of life-style trends. For example, take the startling changes in households, the key consumer buying unit. A universal sales target used to be the "typical" family consisting of a working husband, stay-home wife, and one or more chil-

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Thayer C. Taylor is senior editor of Sales & Marketing Management *Magazine, a sister publication of* Restaurant Business.

dren. Back in 1950, when the new values began to stir, such a family accounted for 70 percent of all households; today, the ratio has plummeted to 15 percent.

A once monolithic market has been splintered into variegated markets by life–style trends that prefer pluralism in living arrangements. Between 1960 and 1980, singles rocketed from 13 percent of all households to 23 percent; female-headed units from 8 percent to 13 percent of all families, from 13 percent to 26 percent of all households.

Behind this radical transformation has been a seismic shift in values. The traditional set of values that pivoted around conformity, self-denial, and hard work has been replaced by what have been called the *new values*. The cornerstone of the new values is the focus on self which translates into self-fulfillment, self-expression, self-idealization. Other hallmarks of the new values: social pluralism, or greater acceptance of differences in the way people live and work; thrust towards physical, emotional, and mental fitness; changing roles of men and women; naturalism as a reaction against materialism, and the goal of a full, rich, and satisfying life.

Surveys by Yankelovich, Skelly & White, a New York market research firm, reveal the rapid spread of the new values. In 1970, the firm says, just under half of all adults had adopted some of the new values; by the mid-1970s, 60 percent, and by 1980, more than 80 percent.

One of the more ambitious efforts to bring order out of the melange of newer life–styles is the Value Analysis and Life–Styles program (VALS) of SRI International, a market researcher in Menlo Park, Cal. VALS divides the adult population (16 and older) into three major groups:

1. *Need-Driven*, who are driven by needs rather than choices;
2. *Outer-Directed*, who conduct their lives according to what others will think, and
3. *Inner-Directed*, who live according to their inner wants and pleasures.

In turn, the three groups are subdivided into eight sub-groups. Here is how Arnold Mitchell, head of the VALS program, describes them:

Need-Driven consumers are made up of:

Survivors—the most disadvantaged segment of the population, mired in poverty, can barely meet their basic needs, are out of the mainstream.

Sustainers—a cut above them, also poor, mostly young but strug-

Integrated Consumers

Name	Integrated
Pop./%	1980 3 Mil/2% 1990 7 Mil/4%
DEMOGRAPHY	Bi-modal age Male/female High income High education
VALUES	Mature Tolerant Individualistic World view
BUYING STYLE	Ecology Quality Aesthetics Unique Standards

Outer-Directed Consumers

Name	Belongers	Emulators	Achievers
Pop./%	1980 57 Mil/35% 1990 54 Mil/30%	1980 16 Mil/10% 1990 18 Mil/10%	1980 35 Mil/22% 1990 36 Mil/20%
DEMOGRAPHY	Low/middle income Low/middle education Non-entrepreneurial Ethnics Many women Non-city	Good income Good education Upward mobile Entrepreneurial Young single Male Urban	Excellent income Excellent education Arrived Male but changing Metropolitan
VALUES	Fitting in, conventional Group membership Tradition, nostalgia Reliable Submissive	Status Display Aspiration Manipulative Competitive Macho	Success/fame Puritan ethic Materialism Efficiency Dominating Comfort
BUYING STYLE	Custom Popularity Fads Stable, mass market Brand names	Conspicuous Voguish Extremes Overstatement Disseminators	Originators Luxury Top of line Technology

Note: Population 18 years and older.

Source: SRI International.

Profile of SRI's lifestyle groups contains pointers for restaurant marketers on how to sell to specific market segments. A group's values and buying style will give some indication of the type of products it looks for, advertising appeals it will respond to, and even the kind of interior decorations with which it will feel most comfortable.

gling to get ahead.

Outer-Directed consumers consist of:

Belongers—the largest population group, seek to fit in, are traditionalists, have low-to-medium income and education.

Emulators—young and ambitious, live flamboyantly, upwardly mobile and status-conscious, have a good income and education.

Achievers—the second largest group, success-oriented, materialistic, have excellent income and education.

Inner-Directed consumers comprise:

I-Am-Me—mostly late teens and early twenties, hence impulsive, faddish, and narcissistic.

Experiential—in their 20s and 30s, seek a rich inner life, direct experiences, and intense involvement.

Societally Conscious—pursue "socially responsible" lives, highly value smallness of scale, are very aware of societal issues such as conservation and environmentalism.

In addition to the three major life-style groups and their eight sub-groups, there is another consumer group—*Integrated*—which according to SRI stands atop its life-style hierarchy. Belonging to this group are those who live in accord with an inner sense of what is fitting, self-fulfilling, and balanced, the ones who have "arrived," many of whom are leaders in their field.

Life-style groups are not necessarily homogeneous, any more than a particular age or income group is. Incomes of the Experientials, for example, are bi-modal: on the high end for two-paycheck couples, on the low end for college students.

There's also an ebb and flow between the groups as most of the population will pass through more than one of the groups in its lifetime. Emulators are predominantly male, Mitchell says, but their ranks are being swelled by career women.

SRI has begun looking at specific product and service purchases of the life-style types. Fragmentary findings suggest, says senior marketing specialist Robert Kimball, "Each group has a restaurant-type favorite. Sustainers and Survivors use fast-food places whereas Belongers favor family-type outlets, Emulators and Societally Conscious will go to a fast-food restaurant when eating alone but will go to a

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Need-Driven Consumers

Name	Survivors	Sustainers
Pop./%	1980 6 Mil/4% 1990 7 Mil/4%	1980 11 Mil/7% 1990 11 Mil/6%
DEMOGRAPHY	Poor Unemployable Minorities Slum dwellers Broken families Large families	Blue collar Unemployment Poor education Minorities Slums/rural Largish families
VALUES	Struggle to survive Multiple disadvantages Instant gratification Suspicion Lack of controls	Hope to improve Safety Security Dependent Followers Insecure Rigid Authoritarian
BUYING STYLE	Basic needs Localized outlets Erratic patterns Time payments	Cautious expansion Price Brand names Guarantees Reassurances

Inner-Directed Consumers

Name	I-Am-Me	Experiential	Societally Conscious
Pop./%	1980 8 Mil/5% 1990 11 Mil/6%	1980 11 Mil/7% 1990 16 Mil/9%	1980 13 Mil/8% 1990 20 Mil/11%
DEMOGRAPHY	Under 25 Single Affluent First job/school Urban	20-40 Pairs Bi-modal income Good education	Age range Male/female Bi-modal income High education Mid-upper class Diverse locations
VALUES	Experimental Self-expressive Impulsive Individualistic	Direct experience Participative Hedonistic Intuitive Avant Garde	Socially responsible Voluntary simplicity Inner Growth Small scale
BUYING STYLE	Display Fad Clique Far-out	Making Doing Crafts Sports	Conservation Authenticity Aesthetics Non-Consumption

Source: SRI INTERNATIONAL.

The top end of the lifestyle hierarchy will post the fastest growth in the 1980s, according to SRI's projections. The number of Integrated consumers will more than double, increasing 133%, while the Societally Conscious will expand 54%, Experiential 46%, and I-Am-Me 38%. Should economic growth falter, SRI experts caution, the Inner-Directed may grow at a slower pace and the Outer-Directed at a faster pace than shown here.

white table cloth restaurant when dining with someone. I-Am-Me are heavy fast food users.

Significantly, the ascendency of the new values was greatly encouraged by the affluence of the 1950s and 1960s. The more troubled economy of the 1970s and early 1980s has raised questions as to the impact a less prosperous climate will have on the newer life–styles.

"All the changes have to be looked at in the matrix of the social-economic condition," argues Howard Leonard, a researcher at Young & Rubicam USA, a New York advertising agency. When the economy improves, change becomes more common. When it retracts, there is a return to basics."

SRI senior marketing specialist Robert Kimball feels that a faltering economy could impact the I-Am-Me group adversely, for example. "They are a narcissistic, exhibitionist type that thrives in affluent times," he notes. "Economic uncertainty could shrink their growth and force many of them back to the more traditionalist Belonger class."

Daniel Yankelovich, founder and head of Yankelovich, Skelly & White, warns in his new book, *New Rules: Searching For Self-Fulfillment In A World Turned Upside Down,* that basic changes have already occurred. He says: "Almost everyone concerned with self-fulfillment stresses how directly their plans hinged on their economic prospects. From the late 1940s into the 1960s, Americans cherished the new freedom their affluence secured for them. Then, abruptly, came a stunning reversal of the economy and the culture. As the culture expanded, the economy grew more restrictive. The economic reversals of recent years have disoriented Americans. What happens to choice when economic growth slows? In the past 10 years, a significant shift in attitudes has taken place—from an optimistic faith in an open-ended future to a fear of economic instability.

Attitudes have shifted from optimistic faith to a fear of economic instability.

Whereas SRI uses a fixed typology of life–style groups, Yankelovich, Skelly & White, its chief rival, renames its life–style types as it acquires new information on social trends from its annual Monitor survey of public attitudes. The current line-up, according to vice president Ann Clurman, goes like this:

Classic Values—An older age group, tending towards more traditional values. The group first surfaced in the 1980 Monitor survey. The firm intends to pay close attention to this trend in this year's polling, especially to determine whether it is spreading to younger baby boomers.

Aimless Values—A young age group, hedonistic and goalless.

Idealized—Oriented to self-fulfillment through personal achievement.

Detours—Trying to pursue the good life, but have been thrown off the track by recent economic instability.

Balanced—Working out a quality of life synthesis, balancing new and traditional values.

"Although the major life–style thrust of the 1970s—that is, experience-oriented value systems—is slowing down," observes Ann Clurman, "we see no broad march back to the traditional values such as self-denial and everything-centers-around-the-family. People are becoming very selective, more thoughtful in choosing among their value systems. A broad-scale pattern of adaptation seems to have evolved. A key component of this move toward adaptation is long-term economic pessimism."

Others fret that the disappointed hopes will produce increased tensions in the decade. Arthur Kovar, research director of the New York ad agency Cunningham & Walsh, sees "a considerable number of people turning cynical, angry and disillusioned as they find that a lot of the good things of life they thought they had a right to are no longer attainable."

Apart from the tensions produced by a less expansive economy, the flip side of certain life–style trends may add another disquieting note to the 1980s. Consider, for example, the two-paycheck couple, a favorite marketing target that has leaped from 27 percent of all families in 1960 to 41 percent in 1980.

On the bright side, Sandra Shaber, director of consumer economics at Chase Econometrics, in Bala Cynwyd, Pa., predicts "Two-income families will become even more affluent this decade as such families, predominantly young, reach their peak earning years in their 40s and 50s. A large fraction of younger working wives, especially those in managerial, professional,

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Buying power of life-style groups

Category	Median Household Income
Need-Driven	
Survivors	Under $5,000
Sustainers	$11,000
Outer-Directed	
Belongers	17,500
Emulators	19,000
Achievers	30,000
Inner-Directed	
I-Am-Me	10,000
Experiential	22,000
Societally Conscious	25,000

Source: SRI International, based on 1979 income data.

and technical jobs, will remain in the workforce, and as they increase their years of continuous employment, contribute a growing portion of family income."

On the dark side, sociologist Suzanne Keller of Princeton University sees the same couple approaching a day of reckoning. Speaking at the 1981 annual conference of the Association of National Advertisers, she warned: "The question arises whether the two-income couple can long continue on their present course, without the basic amenities and services essential for well-being and successful functioning and, above all, peace of mind. For every well-meaning househusband, there are at least 99 employed wives carrying the dual burden of jobs and households, and child care as well.

"This will be a key issue in coming years, where the contradictions and pressures of current family and domestic arrangements will have become unmistakable to their hopeful young and older incumbents, and when the predictable reaction—anger, resentment, and resignation—will have set in."

If the 1980s will be a time of testing the new life-styles, it will certainly witness a revolution in home-oriented electronics that will pose a new set of challenges for the restaurant industry in that it will have implications for the frequency with which consumers and business travelers eat out. The electronic tidal wave that is coming will consist of different forms of cable TV, direct broadcast satellites, video games and video discs, personal computers, and broad-band communication systems such as home-focused information, banking, and shopping services that wed the TV set to the computer. Studies by RCA project that, by 1990, Teletext/Viewdata services will be in 33 percent of the homes, videodisc players 28 percent, pay cable TV 25 percent (with subscription TV chipping in another 7 percent), video games 20 percent, video cassette recorders 17 percent, home computers 13 percent, and direct broadcast satellite.

> There is a move away from material rewards to personal experiential goals.

Unlike traditional TV viewing, a passive activity, the new electronics will be highly interactive and personal, giving the consumer a flood of options to choose from as regards to information, entertainment, instructions, and culture. Potentially, then, they can induce the consumer to spend proportionately more of his time in the home.

Ellen I. Metcalf, a specialist in consumer behavior at Arthur D. Little, in Cambridge, Mass., reasons in a recent client report: "As people desire more individual pursuits, they'll place increasing emphasis on activities that can be mastered easily, provide high rewards in a short time period, and can be accomplished in or near the home. Hence, such things as home computers, cable TV, videodiscs, and exercisers will be high on their shopping lists."

Yankelovich vice president Ann Clurman also sees somewhat more "discretionary" time spent in the home because "people look on their home as a financial investment, a hedge against inflation, so they'll spend more time there. Also, many households will be moving into the family-formation stage so that even if they decide on just one child that means more time in the home."

On the other hand, Ruth Ziff, executive vice president of the New York ad agency Doyle Dane Bernbach, notes that one of the most significant findings of the firm's latest survey of life-styles of the "middle" generation aged 25 to 49 "is the acceleration in the move away from material rewards to personal experiential goals, that is, activities that contribute to physical and emotional well-being, things such as leisure and recreation. More than half (56

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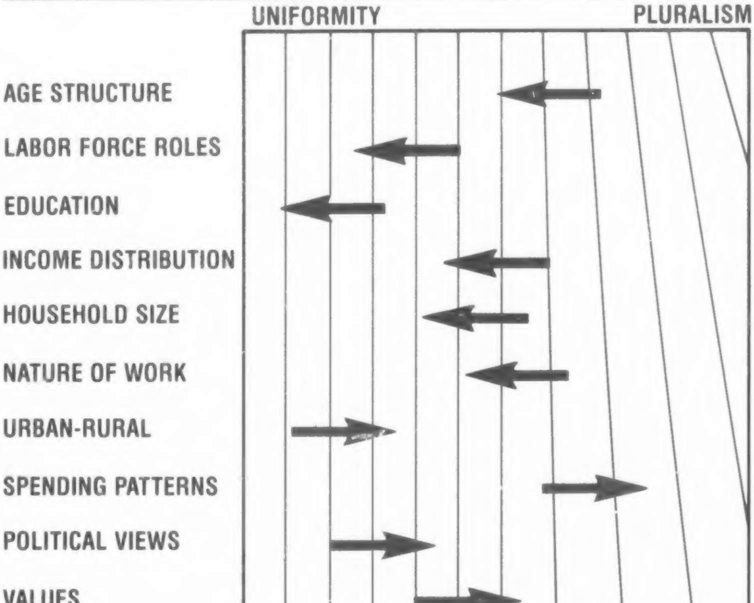
Cross-Currents in Life-style Trends



Source: Walter Dolde

percent, up from 48 percent a year earlier) feel a vacation is no time to cut corners and that they'd rather spend money on leisure activities than on material possessions."

Electronics outside the home could also pose a challenge. As transportation costs rise and telecommunications costs decline, teleconferences will play a bigger role in the business travel picture. However, this need not spell a net loss in eating-out, according to Douglas Frechtling, executive director of the U.S. Travel Data Center, a nonprofit research group. Says he: "Instead of having large-scale national meetings, with attendees flown from all over the country to one city, companies will go for more small-scale conferences, with personnel brought to a few selected hotels that are equipped for teleconferences. The result will be a net gain in nights away from home and meals consumed away from home."

Because the first tremors of the new home-based electronics revolution are just being felt, few observers have tried to assess the impact it will have on markets. One who has is William Donnelly, senior vice president, Young & Rubicam USA. He contends: "Major developments in communication technologies create, or cause, new social structures to come into being. This happened with the invention of writing, printing, and television." The new electronic media, he continues, will bring "such quantum leaps in the ability to store and retrieve information, in the availability of readily internalizable entertainment and in the availability of services that they will cause a new kind of individualized cultural segmentation." He calls it the "Confetti Generation" because of the vastly increased options and activities it will present.

Plainly, then, the markets of the 1980s that the restaurant industry caters to will be sharply different from those of previous decades. The marketer who plans ahead to capitalize on the changes, rather than react defensively when they come, is the one who will score the competitive edge and be winners.

The biggest marketing challenge facing restaurants in the '80s will be the sweeping electronics revolution.

Impact on industry

These changes will produce a restaurant industry that by 1990 will be strikingly different from today's version. The ability to assess life-style shifts and redirect marketing strategy to exploit them will determine who survives the challenges of the 1980s.

The deeper insights into various market segments, as revealed by life–style analysis, will enable sophisticated managers to sharpen their sales focus. Restaurants that want to cast a wider net and appeal to more than one life–style group may find that uniformity in menu selection and facility design is not in step with customers who crave different types of eating-out experiences.

Life–style groups themselves will present shifting targets. For example, Belongers, the biggest group, will shrink an estimated three percent in the 1980s while Experientials, the avant garde group, will expand a hefty 46 percent. Obviously, the two groups can not be wooed by the same type of menu.

Average income per household is expected to grow at a slower pace in this decade than in the prior one, promising even more intense price competition for the away-from-home food dollar. Management Horizons' Roger Blackwell predicts "couponing and other off-price devices will become a way of life, especially in the fast food sector."

Households will become smaller, with fewer children in the typical family and one-person units continuing their rapid growth. This means adults will have more dollars to spend on themselves and will change their spending patterns.

Slower economic growth has strong implications for the travel trade, a critical revenue source for the restaurant industry. As Douglas Frechtling, U.S. Travel Data Center, points out: "Lifestyles give the urge to travel, but the economy dictates the ability to travel."

The distribution of leisure-recreation dollars is undergoing a seismic shift. As Chase Econometrics' Sandra Shaber notes, "One of the most pronounced changes will be the declining importance of travel and other 'away-from-home' activities and their replacement by activities centered in the home." Home-centered leisure, she says, increased from 35 percent to 40 percent of leisure spending in the 1970s and will increase to 42 percent by 1983.

The biggest marketing challenge that will confront restaurants in the 1980s will be the sweeping electronics revolution created by the computer-on-a-chip, symbolized by the personal computer.

On the one hand, the spectrum of products oriented to a wedding of the computer and the TV set will strengthen the trend to at-home leisure and recreation.

On the other hand, the president of a leading home computer company, observes: The most striking development of the 1980s will be the transformation of the personal computer from "a stand–alone terminal to a device with the ability to function as an intelligent terminal with high-speed data communications capability." This means that at-home banking and shopping services will establish a foothold in the 1980s, reducing the number of times people will perform such chores outside the home and, consequently, fewer potential visits to a restaurant.

Faced with this possibility, the more sophisticated restaurants will devise ways to maintain contact with this elusive customer. Catering services that are oriented to at-home entertaining will attract more attention. Other innovations in standard practices will suggest themselves as marketers readjust their sales strategies to the demands and needs of the changing consumer of the 1980s. □

Restaurant Business

SEPTEMBER 1, 1982

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New Angles in Advertising

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Restaurant
Business

SEPTEMBER 1, 1982

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Cover By James Montalbano

Restaurant Business
Cover Story

New Angles in Advertising

By T. Patrick Harris

Close-up shots of juicy hamburgers, strings of cheese dangling from a slice of pizza and the pretty, smiling faces of courteous employees represent a new direction for foodservice advertising. Following a recent period of flat sales which hurt advertising budgets, customer traffic is on the rise again and marketing executives are taking a more bullish approach towards spending. In 1981, chains pumped a record $492 million into network and local TV advertising, almost twice the amount spent by any other retail category. During the first quarter of 1982, TV expenditures were up 33 percent for the Top 15 restaurant advertisers.

In this issue, *Restaurant Business* examines the campaigns and strategies behind the juicy hamburgers and smiling faces. We also present a list of the top 15 restaurant television advertisers and how much they spent; plus an intriguing look at cable television—its problems and potential.

Across the nation, images of juicy hamburgers, fresh seafood, and gooey strings of cheese dangling from pizza are being held before smiling faces. It is the new direction of foodservice advertising.

Scene: Between top 40 hits and the evening news, a homeward bound commuter unconsciously begins tapping his toes to the catchy jingle from a restaurant radio commercial.

Scene: A woman is cleaning house shortly before her husband is due home from work. She pauses in front of the television in time to see a thick wedge of lemon being squeezed over a freshly prepared plate of fish.

To the marketing executive who has authorized the above "flights" the ideal scene comes when the breadwinner arrives home. Not coincidently, shortly after hearing the "drive-time" radio spot, he decides to treat his wife and asks if she would like to go out to dinner. "Sure," she replies brightly. He responds by asking where. The woman, who just minutes before saw droplets of juice burst out of a lemon, says she'd like seafood. She then names a well-known seafood chain.

Across the nation beautifully televised images of juicy hamburgers, fresh seafood and long, gooey strings of cheese dangling from pizza slices are being held before smiling faces. It is the new direction of foodservice advertising, and the airwaves of the nation are being saturated with aural and visual images of beautiful food. It is also representative of a rebounding marketing effort within the industry. After experiencing soft customer counts in 1979, following almost five years of growth, advertising budgets were hurt by flat sales and increased media costs. Marketing strategies were re-evaluated as well.

Now, however, the nation's fast food operators—the industry's leader in advertising—have committed themselves to an aggressive attack. According to the Television Bureau of Advertising (TVB), this offensive is reflected in a 33 percent increase in network and local expenditures for the first quarter of 1982, compared with 1981. In addition, the hard hitting, televised approaches have been picked up by some dinnerhouse and family restaurant chains such as Red Lobster, Casa Gallardo, Pizza Hut and Denny's.

Part of this strategy has been the halting of the downward slide of customer traffic. Stabilized in early 1981, that year closed with a two percent increase in traffic over 1980. While traffic remains approximately four percent below that of 1979, the National Restaurant Association says the upward trend is continuing with a 5.2 percent increase for the first quarter of 1982. Aside from the increase in advertising budgets from the accompanying sales growth, many marketing executives are taking a more "bullish" approach now than before when counts were soft.

Richard Good, president of R.T. Good & Associates, a management consulting firm specializing in the foodservice industry, observes that the present, aggressive advertising effort is critical to sustaining profitable performance in foodservice operations. "The eating out patterns of consumers for the past three years have more or less paralleled the economic state of the nation as a whole," he says. "Since mid 1981 certain factors, such as a reduced inflationary rate and increased personal income, have contributed to increased visitation to restaurants. Sales are now increasing and marketers are jumping on this trend in an attempt to gain more market share. But without a thoroughly coordinated, overall marketing strategy the increased spending is not necessarily cost effective," he cautions.

Good, formerly involved in marketing for Procter & Gamble, Ponderosa, and CREST consumer reports, says that advertising strategies can only be conceived after all additional major elements of the overall strategy are in place. These elements, he says, are:

1. menu variety/quality level (including new product introductions);
2. service approach;
3. pricing/value relationships;
4. facilities approach, including upgrading or remodelling;
5. new unit expansion plans;
6. positioning versus competition;
7. evaluation of past competitive performance; and

Burger King utilizes appetizing product photography to stress its claim as the "quality alternative" in fast food.

Burger King's "Aren't you hungry?" campaign.

BK will spend $60 million on TV in 1982.

8. sensitivity to external economic factors and demographic trends.

Once these elements are in place, he says, the advertising, or marketing communications strategy, can be implemented. "Advertising planning and execution involves five major elements," Good explains. "Basically, they take you from the beginning to the end through setting sales and profits goals, determining the media plan, getting your creative together and then executed, and finally trying to determine what you've gained from it all."

Appetizing approach

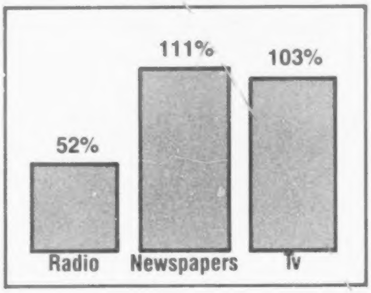
Kyle Craig, a senior vice president and director of marketing for Burger King, agrees with Good and says the hamburger chain's goal of $1 million in per unit sales (by 1985) is based upon a four point strategic plan. Craig says the plan includes: menu development, upgrading facilities; aggressive marketing; and operational consistency.

"It's true that you have to coordinate all the different ends of the operation to develop a truly effective advertising attack," he says. "We've done that and we are going with what we see as our strength, the quality of our products."

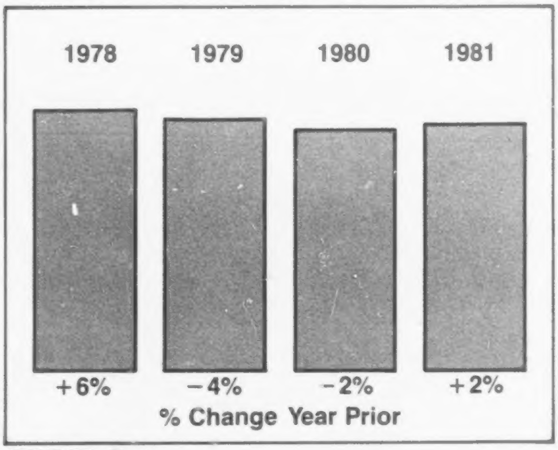
Craig, who sees Burger King as the "quality alternative" in fast food, says that the new "Aren't you hungry?" campaign consequently focuses upon some rather outstanding product photography. The campaign, which was created in six weeks by the J. Walter Thompson agency, will eat up approximately $60 million in network and local television time this year, an increase of eight percent from the year before.

"Aggressive marketing is really the kingpin right now," says Craig. "Consumers are returning to the restaurants and we want to make

Cost Per Thousand: Percent Increase 1967-1979

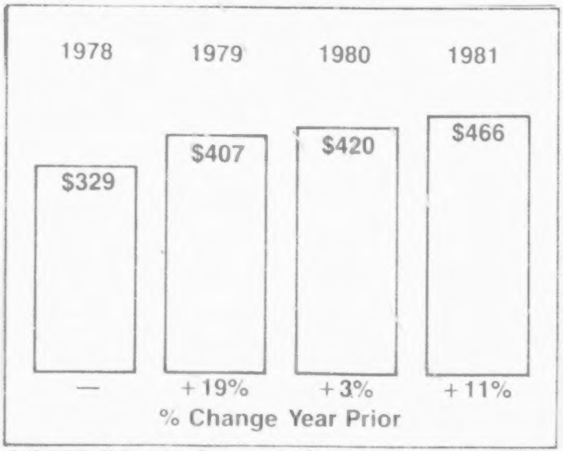


Annual Customer Traffic Trend



SOURCE: Crest

Restaurant Television Advertising Expenditures
Millions of Dollars



SOURCE: Television Bureau of Advertising
Includes network TV and spot TV

sure we get our fair share of the action."

Craig says that despite the growing emphasis in the fast food and dinner house segments on food photography, the impact of the Burger King campaign has not been lessened. "We have been going with food for longer than anyone else, and we feel the campaign is building strength." On the air since January, Craig says the campaign is already familiar to millions of consumers.

Versatile umbrellas

Marketing executives contacted by *Restaurant Business* agree that quality products can be expressed well with television commercials, but also claim that relying upon this product photography alone is insufficient. Rather, they say, it is a fine vehicle when used under an all-encompassing, versatile, and creative umbrella.

Denny Lynch, a corporate spokesman for Wendy's, says the company is using this philosophy with the "Wendy's kind of people" campaign. This campaign, rolled out in early July, is two-fold with accents on food photography and "mirror image" people.

"The 'Wendy's kind of people' campaign is broad enough to allow us a great deal of flexibility for further creative development without substantially altering the basic message of a quality product and a discriminating consumer," says Lynch. For example, he points out that some of the radio spots which support the campaign are keyed towards the nutritional aspects of the salad bar.

According to Lynch, the W.K.O.P. campaign was introduced simultaneously, nationwide, on both radio and television. First aired in July, Wendy's will spend close to $70 million for the television broadcasts, with $55 million going into local buys and $15 million into network. Approximately $14 million will be spent on radio broadcasts.

Like Burger King's Craig, Lynch agrees that the marketing strategy must be totally coordinated with the advertising effort to be effective. He says the new campaign, highlighting people, is particularly useful towards attracting new customers who are seeking alternatives to other fast food chains. It is directly tied to the corporate goals of seeing the system grow to 4,000 units by 1990, he says.

Evolutionary executions

Finding the proper specific executions, or slogans, is of key importance, especially in the competitive environment of fast food and midprice dinnerhouse operations. According to many marketing executives, these slogans, or ad themes, ideally should be an evolutionary creation, as opposed to a revolutionary concept. That is, they must build on past advertising equity in order to keep the restaurant's image consistent in the consumer's mind and make (costly) advertising more cost effective. They must also be careful to avoid over-promising in such areas as quantity of food and speed of service. When using food photography as the key element, the advertised product must be consistent with the final presentation to the consumer.

Both Burger King and Wendy's, who each claim title to the quality position, are particularly concerned with the "evolutionary" aspects of their campaigns due to the vast difference in spending between themselves and McDonald's. McDonald's outpaces the industry each year in expenditures for advertising and in 1981 spent a total of $129.3 million on network and local television advertising. By contrast, Wendy's and Burger King combined spent a total of $70 million.

In the first major advertising campaign rolled out by McDonald's new agency, Leo Burnett & Co., Chicago, the fast food giant also jumped on the quality bandwagon. "Quality: It's in the bag" first appeared in February as the theme for a series of TV spots featuring menu items. The tag line is also used in promotions offering game cards and prizes. On August

"Wendy's kind of people" highlights food.

15, McDonald's introduced a new scratch card sweepstakes using Asteroids, Star Raiders, Missile Command and Centipede for game elements. "Taste the thrill of McDonald's" will run to Oct. 15.

Only Denny's, Burger King and Kentucky Fried Chicken are now spending more on network than local TV. Marketers feel that local spots generate considerably more "bang for the bucks."

"When you are outspent by a three to one ratio on advertising, you had better make sure you get the maximum bang for the bucks," says Craig, emphasizing the value of campaign consistency. While the present campaign has replaced the "Make it special, make it Burger King" line, which ran for two years before falling out of favor, Craig points to the "Have it your way" creative that endured from 1974 to 1980.

Wendy's, on the other hand, claims that the present campaign is not dissimilar to the "Ain't no reason" approach. "The 'Ain't no reason' and 'kind of people' executions essentially put out the same message that all of our past slogans have," says Lynch. "That is, a quality product, prepared from the freshest possible ingredients at the time you order it. The food and the preparation theme has always been there and always will."

In LaMirada, Cal., Barry Krantz finds that the present advertising being done by Denny's serves the dual purpose of enchancing the value and concept image of the chain. Based around the slogan "You'll like our prices, and you'll love our food," the campaign is very strongly slanted towards the product line offered by Denny's.

Krantz, marketing director, says the overall marketing strategy behind the campaign is to enhance the image of the restaurants. "The coffee shop image in the East is very much different from that on the West Coast," he says. The new campaign will address this image refinement by highlighting products such as grilled trout. The more subtle implications of this entree, aside from showing the menu diversity, promotes the upscale image of a low-priced family restaurant, he says.

Krantz says that the chain is now buying more network time than local, with more than 50 percent of its $15 million plus budget (*Restaurant Business* estimate) going into this category. (Of the top 15 restaurant and fast food chain advertisers, only Burger King, Kentucky Fried Chicken and Denny's spend more on network than local TV.)

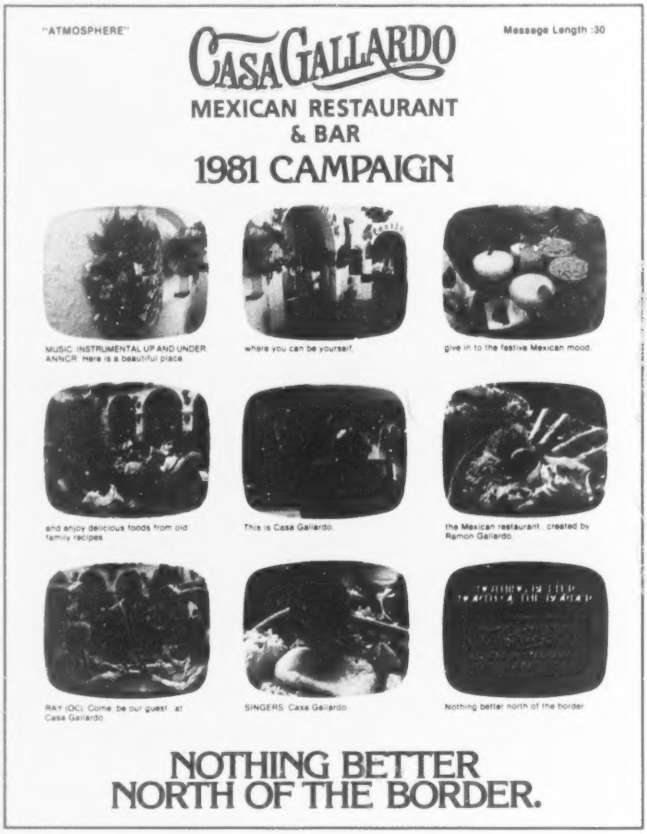
Krantz also says that he is buying limited radio airtime at present, to support the TV commercials and promotions.

Media mix and waste

There is a saw that circulates among marketing executives that says: "50 percent of advertising is wasted. The problem is, which 50 percent." While many disagree with the exact split of waste to productive advertising, almost all agree that there is waste and that identifying it is the most difficult part. Many attribute this waste to broadcasting beyond the restaurants customer base. Despite this, marketing personnel feel the most cost-effective method of advertising, on a cost-per-thousand-viewers basis, is television. As a result, 70 percent of the total marketing budgets of major foodservice companies is spent on television.

In addition to TV's strong consumer reach, says Richard Good, there is the intangible, but recognized, element of the fine visual presentation possible only on televi-

Casa Gallardo spots all feature founder Ray Gallardo.



"ATMOSPHERE"

CASA GALLARDO

MEXICAN RESTAURANT & BAR

1981 CAMPAIGN

Message Length :30

MUSIC: INSTRUMENTAL UP AND UNDER. ANNCR: Here is a beautiful place

where you can be yourself,

give in to the festive Mexican mood,

and enjoy delicious foods from old family recipes.

This is Casa Gallardo,

the Mexican restaurant . created by Ramon Gallardo.

RAY (OC): Come, be our guest . at Casa Gallardo.

SINGERS: Casa Gallardo.

Nothing better north of the border

NOTHING BETTER NORTH OF THE BORDER.

Wendy's campaign stresses discriminating consumers.

> There is less agreement on the effective use of radio. Radio audiences are more segmented, or vertical, giving the savvy marketer an opportunity for a "rifle shot" approach.

sion. "Nothing really sells like appetite appeal, and that is what is really behind all the 'beautiful food' stuff we are seeing now," he says. "When you break these images down into black and white, for say newspaper advertising, they lose their impact."

And while the reach and impact of TV are unquestionably there, so is the prohibitively high cost to many small chains and independents. For these operators, says Good, there is no sense wasting money on television unless their resources can support a sustained campaign. "Don't forget," he points out, "that an over-long hiatus from television pretty much nullifies the equity that you have built from previous flights. And a one-shot deal is just wasting your money. There is near zero retention in that situation and retention is the name of the game."

Good recommends that those operators that can afford $6 million for a campaign use a formula based upon the multiplication of sales goals times corporate advertising/sales. This will give you a total marketing budget, he explains, noting that approximately 10 percent of that figure should go to non-media costs such as production, print preparation, talent residuals, etc.

In determining the media mix, there is less agreement on the effective use of radio. While the cost of advertising via radio has remained relatively stable compared to television and print costs, the audience is very segmented. Unlike TV, which has a very broad appeal, being similar in that respect to newspapers, radio audiences tend to be more narrow, or "vertical."

Denny Lynch says that Wendy's takes advantage of this situation by targeting its radio commercials to young adults aged 18 to 24. By contrast, says Lynch, television commercials are aimed at a "total adult" audience. Lynch also believes that there is more versatility and creative opportunities in radio. "You play to your customer's imagination, and you can say even more that way," he says. "One of our spots, for example, illustrates a person seeking a quality hamburger in 'the other hamburger' place. On television, we could never do that without showing the competition."

In recent years, the newspaper has become a 20th century Coliseum in which chains battle each other with coupons and other deals. The wisdom of such deals aside, the choice of that particular medium is excellent for such usage, say many marketers. "Newspaper couponing gives you one great advantage over electronic forms of advertising," says Ken Hustel, vice president of the newspaper advertising bureau. "And that is you know almost immediately what type of response you are getting. There is no way that any electronic medium can give you such an absolute reading, or measuring, of advertising effectiveness."

Dinner houses enter TV

Traditionally, dinner houses have not gone into television because for this market segment that medium was not cost effective. This, however, has changed due to the increasing sales volumes of the units and the number of chain dinner houses now in the marketplace. The most visible example of this is the Red Lobster Inns, owned by General Mills, and, to a lesser degree another General Mills chain, the Casa Gallardo Mexican restaurant division. (Red Lobster spent $24.5 million in local TV advertising in 1981 with '82 first quarter spending up 13 percent.)

The General Mills people generally keep their advertising strategy cards close to their collective chest. It is no secret,however, that the Orlando-based corporation is implementing their long-term goal of increased market share through a strategic interweaving of new unit locations and television advertising.

And so, despite the differences between Red Lobster, York Steak House, Darryl's, Casa Gallardo and Good Earth, these mid-price restaurants share at least one common strategic goal: new units of each are being built within, or adjacent to, the same television marketplace, or ADI. (Technically, an ADI, or area of dominant influence, is a geographic area in which the home market station receives a preponderance of total viewing hours. There is no effective difference between ADI's and DMA's except that the A.C. Nielsen company rates by DMA and Arbitron rates by ADI.)

The clustering of new units into ADI's has some obvious, and more than a few subtle, advantages.

Joe Lee, General Mills group vice president—restaurants, says the most cited advantage is the added value of local television advertising. With restaurants clustered in the same ADI, the "flights" of the commercials benefit all units within the area. The company saves money by avoiding running the same commercials in another marketplace with fewer restaurants, and further avoids the possible expense of reproducing the commercials to conform with regional consumer trends.

"After 14 years, Red Lobster is clustered in many markets; I hope that in 14 years I will be saying that of our newer concepts as well. However, each of our concepts develops its own expansion strategy."

Lee says that as the various General Mills restaurant chains grow, they will do so on a regional basis through adjacent ADI's to take advantage of "spill over" signals. (As a bonus, says Lee, by pursuing a cluster development plan, further gains are made through distribution efficiency and better unit supervision by regional management.)

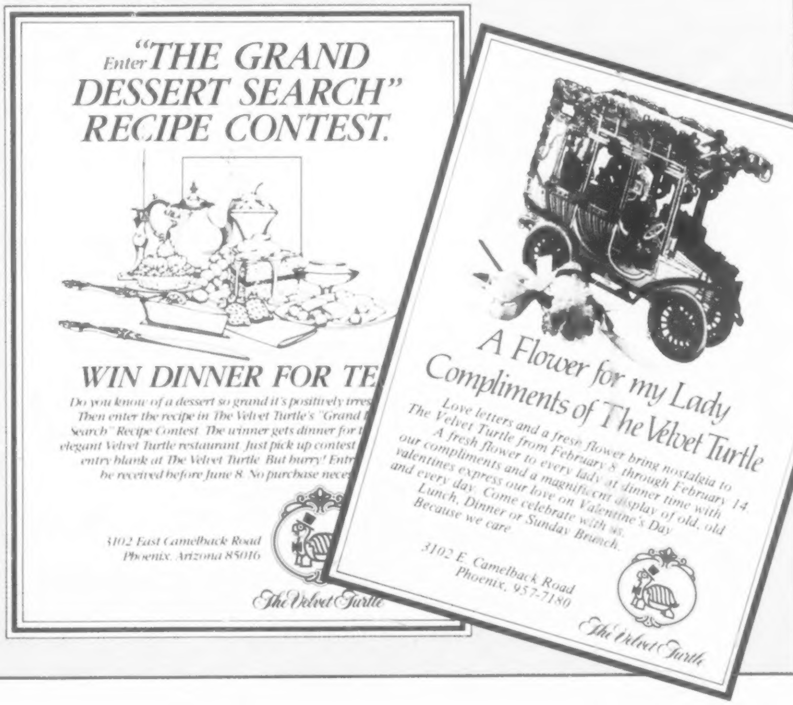
Bob Andersen, director of marketing for the 12-unit Casa Gallardo chain, based in St. Louis, agrees that there is "considerable" waste in advertising. To minimize this, he says, all advertising and promotional efforts are based upon exhaustive corporate evaluations of consumer studies in the targeted regions. Through these studies (purchased out-of-house) the company learns exactly who their patrons are, what demands they have, and where the restaurant stands in the marketplace.

Based upon this research and analysis, Casa Gallardo, with $24 million in chainwide sales, is now airing two different television campaigns. Going along with the new wave of "beautiful food" photography (as is sister chain Red Lobster), one of the commercials highlights food, the other stresses atmosphere, and both are 30 second spots with founder Ramon Gallardo as the "star."

Presently, both the food and atmosphere commercials are being concentrated in ADI's with Casa Gallardo units to further develop those marketplaces, says Andersen. The division plans to open 15 to 20 new units within these ADI's over the next five years.

Another dinner house that has entered the television marketing

For small chains or independents, print media is generally the most cost-effective method of advertising. For the 22 unit Velvet Turtle chain, a division of the Saga Corporation, newspapers and city magazines are used effectively for special promotions. By running in black and white, the same copy and art work can be used in both media without incurring additional expense, such as the ads seen here. Some marketers avoid placing such materials in dining out or entertainment sections of papers or magazines because the ads, particularly undersized ones, are lost in the clutter. Velvet Turtle uses print advertising not only for brand awareness, but also to highlight promotions scheduled during special events such as Mother's or Father's Day.



Enter "THE GRAND DESSERT SEARCH" RECIPE CONTEST.

WIN DINNER FOR TE

Do you know of a dessert so grand it's positively irres
Then enter the recipe in The Velvet Turtle's "Grand
Search" Recipe Contest. The winner gets dinner for t
elegant Velvet Turtle restaurant. Just pick up contest
entry blank at The Velvet Turtle. But hurry! Entr
be received before June 8. No purchase nece

3102 East Camelback Road
Phoenix, Arizona 85016

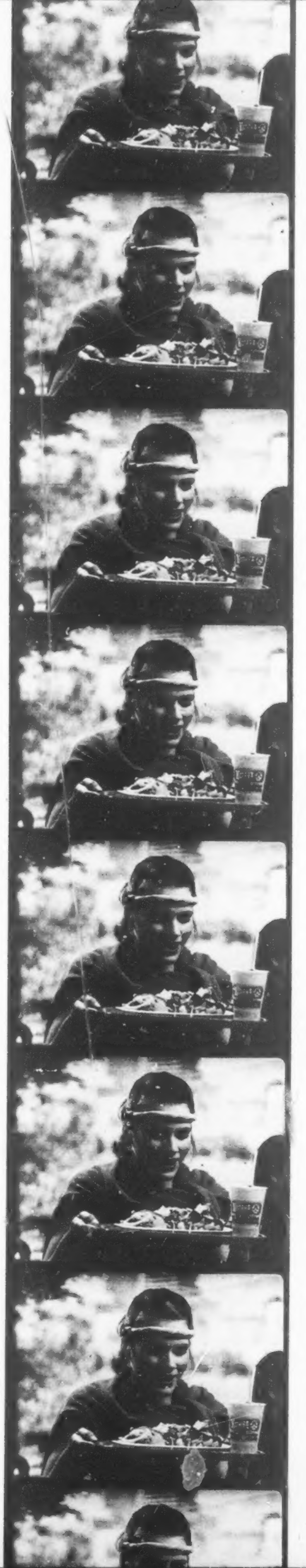
The Velvet Turtle

A Flower for my Lady
Compliments of The Velvet Turtle

Love letters and a fresh flower bring nostalgia to
The Velvet Turtle from February 8 through February 14.
A fresh flower to every lady at dinner time with
our compliments and a magnificent display of old, old
valentines express our love on Valentine's Day
and every day. Come celebrate with us.
Lunch, Dinner or Sunday Brunch.
Because we care

3102 E. Camelback Road
Phoenix, 957-7180

The Velvet Turtle



Wendy's will spend $70 million on TV advertising.

scene is Chi Chi's, a franchised chain of Mexican dinner houses. In Oklahoma City Vince Orza, vice president of marketing for Kelly Johnston, a 16-unit franchisee, says he is now advertising on television 365 days per year. But four years ago he started with a "throw-away" budget of $1,000 and a single, 10 second commercial. "Television advertising can be cost-effective with almost any budget," he says. "What you need to do is look very carefully at what you are doing and eliminate any extraneous information."

Orza notes that the focus of his Chi Chi's commercials runs counter to the industry. "I rarely show a food product shot. Selling the benefits are better than trying to sell the food. The food is obvious, so why waste time—and on TV, time is very much money." Instead, says Orza, who works on a total marketing budget of approximately $1 million, Chi Chi's, via Kelly Johnston, stresses price. "We've taken the principles of print and applied them to broadcast," he says. The announcer in the commercials, an attractive young woman, stands in front of an oversized logo, a slight deviation from the standard print ad, he says. Other ads, most of which are 10 second spots designed to minimize cost and maximize retention, stress how inexpensive a dinner at the restaurant is despite the upscale appearance of the units.

Orza adds that the ads are targeted towards women. "While the male may be the breadwinner and is the one who suggests going out to dinner, he asks his wife, or date, where she would like to go. We want her to say Chi Chi's and that's why we target our ads at her."

Pizza Hut has also joined the national trend of increased advertising expenditures on television. While marketing director Bud Gates says the company is "outspending inflation," first quarter figures released by the Television Bureau of Advertising show an increase in first quarter spending of more than 55 percent by Pizza Hut.

"We are still using the creative umbrella of the 'Home Town' campaign," says Gates, "but we've gone into a heavier food and people slant."

Gates says that "the Hut" is going to continue with the hard hitting approach to Pan Pizza, a thrust that began in 1980. "Part of our advertising message is telling people that pizza is not fast food. We show images of people sitting down and enjoying the product being served by a waitress."

Gates says that the company spends almost 60 percent of its television advertising budget on local buys. "While network television is more effective in reaching the people we want to reach on a cost per thousand basis, it cannot be as direct as locally targeted advertising," he says. "We've set up our program to achieve what we feel is an optimum balance between local and network. We want to have the reach with network and combine it with the hard hitting focus of local."

With the acceptance of a new franchise agreement last year, Pizza Hut franchisees and company units alike have boosted their contributions to the system's advertising budget. In addition to contributing 1.6 percent of sales to national advertising, the units are now also contributing two percent of sales for local TV advertising administered by local ad cooperatives.

With this approach, combined with additional funds from increasing sales and unit expansion, Pizza Hut has spent a total of $6.5 million on local and national buys in the first quarter of this year compared to $2.8 million in the first quarter in 1981.

Independents lack TV $

Generally, the independently owned operation lacks the sales volume to sustain any effective television advertising campaign.

Jim Degen, a *Restaurant Business* columnist who heads a marketing/consulting firm specializing in the food-service industry and deals mostly with independents says that independent restaurants "are wasting their time, generally" by consid-

> Now is the time to buy cable, if you are willing to take a chance. Because of competition and no solid audience measurement method, rates are low.

ering television advertising. "In theory, they may produce a certain level of brand awareness, but there is no way they could compete with some of the slick commercials being produced by the chains. In essence, it is a function of money. You not only get a greater effectiveness by spending big bucks on the flights, but the quality of the product (the commercial) is also better because the chains can afford to hire the top agencies."

Degen says that for the independent restaurateur, who has limited resources available for marketing expenditures, there exist much fewer media options for advertising. However, he says, those remaining include radio, city magazines and local newspapers, which can be utilized in a cost effective manner.

"Radio is good because you begin to get that reach," he says, "and you can also find the target audience you are hoping to attract. Radio audiences tend to be quite segmented and this can work very much to the independent's advantage."

For example, he says, a restaurant with a clientele of young couples dining without children would most likely find a receptive audience through a radio station playing contemporary—but not hard rock—music.

There are also more effective ways to use print media than many restaurateurs are aware of because, says Degen, while they may run a fine foodservice establishment, they are often poor marketers. "Often you find a situation of a restaurant with declining sales, so the owner-manager figures he has to do something and then enters the high pressure newspaper space salesman. The next thing you know the salesman has sold him some small ad that is going to buried in the back of the entertainment or dining-out section of the publication."

Degen recommends that restaurants budget three to four percent of their sales for advertising/marketing instead of the one to two percent—if any—that is more commonly spent. In addition, he says that this figure can be effectively increased through barter. When trading meals for ads on a dollar for dollar basis, he explains, the cost of the ad is further reduced by the profit margin built into the meal.

Another area where independents can increase their marketing power is by more effective signage. "You have to utilize what you've got already, and make the most of it," he says. Along these lines he says he has seen independent restaurants use busboys to stuff mailboxes with flyers during downtime, and waitresses giving out handbills to cars stopped at traffic lights.

"If you are spending less than two percent of your sales on advertising and marketing, you are better off putting it in the bank," he says.

New electronic media

Cable TV has become a common fixture in many American households, with 19 million subscribers in various parts of the nation linked by coaxial cables. Yet despite this

Top 15 Television Advertisers
1981 vs. 1980

	1981			1980		
	Network	Local	Total	Network	Local	Total
1. McDonald's	$ 54,129,700	$ 75,219,100	$129,348,800	$ 53,588,300	$ 66,612,900	$120,201,200
2. Burger King	27,831,800	18,389,600	46,221,400	25,273,200	16,421,400	41,694,600
3. Kentucky Fried Chicken	20,371,000	15,290,100	35,661,100	16,771,600	11,969,000	28,740,600
4. Wendy's	8,760,700	15,819,700	24,580,400	9,036,400	10,301,900	19,338,300
5. Red Lobster Inns	—	24,578,700	24,578,700	—	16,319,600	16,319,600
6. Pizza Hut	10,103,900	14,005,800	24,109,700	12,080,400	5,295,400	17,375,800
7. Long John Silver's	—	20,161,900	20,161,900	—	15,127,700	15,127,700
8. Denny's	9,168,100	5,277,000	14,445,100	4,432,100	4,376,000	8,808,100
9. Arby's Drive-In	3,921,200	7,192,700	11,113,900	3,997,300	7,944,200	11,941,500
10. Taco Bell	—	10,396,700	10,396,700	—	8,035,300	8,035,300
11. Jack-in-the-Box	—	9,799,600	9,799,600	—	8,326,300	8,326,300
12. Hardee's	—	8,330,700	8,330,700	491,800	7,685,800	8,177,600
13. Sizzler	—	7,873,000	7,873,000	—	6,416,000	6,416,000
14. Dairy Queen	—	6,377,400	6,377,400	—	6,127,800	6,127,800
15. Burger Chef	—	6,168,400	6,168,400	—	4,968,700	4,968,700

SOURCE: Television Bureau of Advertising, based on Broadcast Advertisers Reports (BAR) figures.

long lead over the emerging technologies such as microwave, pay TV and satellite communications, the great wiring of America has not been as spectacular as earlier forecasters predicted.

The problem, basically, is there is no established method for rating audiences with cable as there is on regular television. Consequently, foodservice advertisers are reluctant to spend money on what remains a judgment call with no hard data. (At this time total advertising revenues for cable TV are only $251.8 million. Foodservice *alone* accounts for almost $400 million on local and network TV.)

Some savvy marketers have used this situation for their advantage, however. In Cincinnati a group of six restaurateurs recently agreed to an experiment conducted by Qube TV, based in Columbus, Ohio.

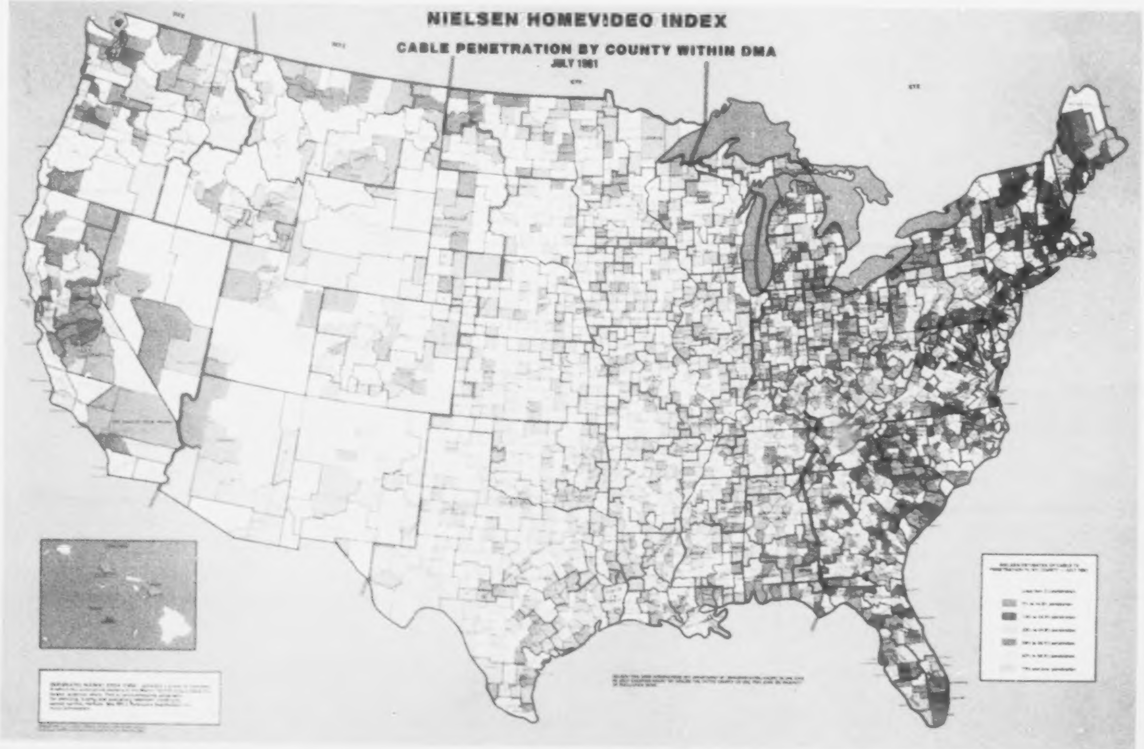
Using a two-way interactive system, which allows viewers to communicate directly with a computer run by the broadcaster, six 10 minute mini-shows called "Dining out in Cincinnati" were aired. Featuring such upscale restaurants as La Maisonette, owned by the Comisar family, viewers saw a local radio personality enjoying one of the house specialities prepared tableside. At the conclusion of the 10 minute segment the diner says that anyone wishing to receive a copy of the entree's recipe, and a facsimile of the retaurant's menu, should touch the interactive button on their home sets. Almost instantly, a computer tied into the interactive device began printing out a mailing label for the requested items. It also placed the respondent's name on a list which was followed up later with direct mail promotions.

The other featured restaurants were: the Grand Finale, in the Cincinnati suburb of Glendale; The Sovereign, and Edward's, both in Cincinnati; The Golden Lamb, also owned by the Comisars, in nearby Lebannon; and the Mike Fink, a floating restaurant on the Ohio River.

Larry Youse, owner of the Grand Finale, says that while he did receive comments from some customers on the show, he finds coverage by the local press much more effective in bringing customers into the restaurant.

But to those in the broadcast industry, the interactive system, as demonstrated in Cincinnati, appears to be the future direction of cable. Because it allows for an indisputable measurement of audience participation, and the consequent direct mail follow ups, interactive is viewed as the vehicle which will allow cable to keep its commanding subscriber and advertising revenue lead over the new communications technologies.

As a bonus for foodservice marketers, media buying firms claim that the opportunity for bargain, or "sweetheart" deals, now exist in cable due to competitive pressure from microwave and satellite systems. Now is the time to buy, if you are willing to go with a judgment call, they say, because the rates will never be cheaper. □



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15th ANNUAL RESTAURANT GROWTH INDEX page 131

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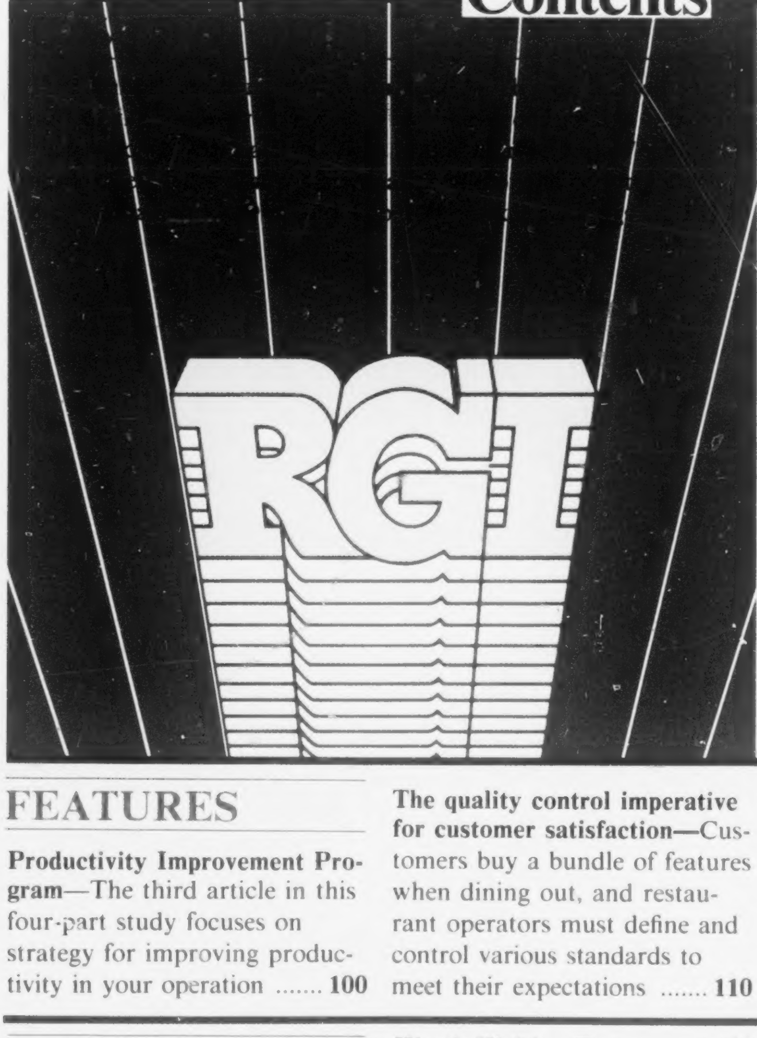

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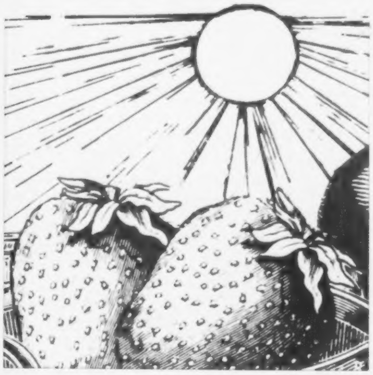

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Restaurant
Business Cover Story

RGI

1981 Annual Restaurant Growth Index

Foodservice Industry Summary

Foodservice Industry Summary	1980 Sales ($000,000)	1980 Purchases* ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases* ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Total Market	114,653	52,417	8.7	125,751	57,446	9.7	191,627	8.8	2.0
Commercial/Contract	97,304	39,366	8.5	106,770	43,326	9.7	166,069	9.2	2.3
Institutional/Internal	16,737	11,145	9.9	18,309	12,108	9.4	24,573	6.1	-0.1
Military**	612	1,906	10.4	672	2,012	9.8	985	8.0	1.1
Major Market Segments									
Eating/Drinking Places	74,737	27,460	8.6	82,275	30,585	10.1	129,068	9.4	2.5
Eating Places	66,957	24,620	8.7	73,891	27,524	10.4	118,278	9.9	2.9
Full menu restaurants & lunchrooms	35,293	13,249	7.9	38,541	15,147	9.2	59,062	8.9	2.0
Limited menu restaurants	27,435	9,842	10.0	30,809	10,744	12.3	52,783	11.4	4.3
Hotel/Motel Market	6,599	2,274	7.2	7,094	2,441	7.5	10,765	8.7	1.8
Transportation Market	1,882	839	7.1	1,957	872	4.0	3,119	9.8	2.8
Leisure Market	2,462	923	10.2	2,724	1,020	10.6	4,383	10.0	3.0
Retail Market	3,303	1,233	7.4	3,586	1,300	8.6	5,432	8.7	1.8
Business/Industrial Market	7,355	8,094	7.0	8,051	8,621	9.5	11,801	8.0	1.5
Student Market	6,379	4,979	10.8	6,958	5,375	9.1	8,428	3.9	-2.4
Health Care Market	9,916	4,878	10.0	10,884	5,351	9.8	15,498	7.3	1.1

**Purchases include all food, nonalcoholic, and alcoholic beverages (does not include equipment or supplies).*

***Sales data based on post exchanges and clubs; purchase data based on post exchanges, clubs & troop feeding.*

Industry returns to real growth

In this year's edition of the Restaurant Growth Index (RGI), we provide hard data for 1980, best estimates for 1981, (the last full year), and a five-year projection to 1986 for planning purposes.

We have added summary comparisons of real growth for separate eating places, full menu restaurants and lunchrooms and limited menu restaurants for 1980, 1981, 1986.

Foodservice sales in 1981 increased 9.7 percent to a total of $125,751,000.000. This is a conservative figure as it does not include a commercial equivalent dollar volume for military feeding or school foodservice (we count as actual sales only cash paid by students); and it does not include vended can, bottle soft drinks or vended candy. We also show only food and beverage (alcoholic and non-alcoholic) sales for establishments with payroll only. In separate eating places we are 3.66 percent lower than the maximum possible if we included all sales including tobacco and establishments without a payroll.

If we adjust our figures to reflect the higher values generated by the addition of military and school foodservice commercial equivalents and additional volume in vending categories not originally included, we would show industry sales increased by $19,690,000,000, a 15.6 percent increase above our published figures to a new total of $145,441,000,000.

In our view, these adjustments are not valid because they produce a result which is in turn inflated (military and school feeding), not comparable (candy sales are not included in the Census of Retail Trade's merchandise line for meals and snacks or alcoholic beverages), or in the case of bottle and can vended soft drinks, through a restricted distribution network.

For 1986, we project foodservice sales of $191,627,000,000. This is a gain of $65,879,000,000 for the five-year period. This translates into a total growth of 52.39 percent or a compound annual growth rate of 8.79 percent.

What does this mean in real growth—which is, after all what really counts—in 1981 dollars—? On this basis, sales increased to $136,686,000,000 for a gain of $12,935,000,000 or 10.29 percent, or a compound annual real growth rate of 1.98 percent.

This is an improvement over last year but inflation—even though it is down dramatically—accounted for 80.37 percent of the total gain.

The degree to which inflation is down is quite respectable. In 1979 menu prices were up 11.2 percent; in 1980, 9.9 percent; in 1981, 9.0 percent and for the first six months of 1982, 5.7 percent. We are forecasting a compound rate of 6.78 percent over the next five years, about 2.07 percentage points lower than last year's projection. Naturally, this lowers the nominal growth rate. So we can have the situation in which the nominal rate is lower this year versus last year but the real growth is higher.

Wholesale food prices have shown a similar tendency to come down in rate of increase. In 1979 the increase was 9.54 percent; in 1980 it was 8.04 percent; in 1981, 3.07 percent; and through the first six months of 1982, 2.7 percent.

We are projecting an increase of 4.91 percent each year for the next five years. This is 2.80 percentage points lower than last year.

Menu prices are increasing faster than wholesale food prices. From 1979 through 1981, menu prices were up 19.8 percent; wholesale food prices were up 11.36 percent during the same period. This means that the opportunity was available for food stores to improve their position in price terms but they only partially took advantage of the opportunity.

The demand for eating out is not satisfied. A National Restaurant Assn. study done by Gallup in the fall of 1981 revealed that customer traffic would rise by one third if people could eat out as often as they liked. Based on the sales results so far in 1982, people are far from satiated. Income pressures are severe.

But we are becoming a split society. Among those who can afford it, life goes on reasonably untouched by an unemployment rate of 9.6 percent and the highest rate of business failures since the depression of the 1930's. The passport offices are jammed with people who want to take advantage of the favorable foreign exchange rate while others have cut back on trips to get some fast food. The proportion of people living below the poverty line has increased to 15 percent—up from 11.6 percent in 1979—and the middle class can't take out profits from a rise in value in their home because mortgage rates are too high.

We have a leopard economy: very spotty. There are good parts and bad parts in the economy. If you are in manufacturing that's bad. If you are in a service job things are not so bad with regard to employment outlook.

There is an enormous variation in economic impact geographically.

This summary was prepared by RBI Research and Malcolm Knapp, president of Malcolm M. Knapp, Inc., New York. The 1980 sales and purchases data used in this eight major market and 37 sub market growth report were prepared by Mr. Knapp under contract with the National Restaurant Association. Estimates for 1981, and projections to 1986 were prepared specifically for Restaurant Business *Magazine.*

Industry Real Growth Summary

	1980 Real Growth Rate	1981 Real Growth Rate	1981-1986* Real Compound Annual Growth
Total Market	−0.6%	0.7	2.0%
Commercial/Contract	−1.0	0.8	2.3
Institutional/Internal	1.1	0.5	−0.1
Military	0.4	0.8	1.1
Major Market Segments			
Eating/Drinking Places	−1.0	1.1	2.5
Eating Places	−1.0	1.4	2.9
Full menu restaurants & lunchrooms	−1.7	0.2	2.0
Limited menu restaurants	0.2	3.3	4.3
Hotel/Motel Market	−2.7	−1.5	1.8
Transportation Market	−5.8	−5.0	2.8
Leisure Market	0.3	1.6	3.0
Retail Market	−2.5	−0.4	1.8
Business/Industrial Market	−2.8	0.5	1.5
Student Market	1.3	0.1	−2.4
Health Care Market	2.6	0.8	1.1

Wholesale food price index will increase at 4.91% compound annual rate 1981 through 1986.

Menu price index will increase at 6.78% compound annual rate 1981 through 1986.

****We use compound annual growth rates to express change in our projections because they are mathematically correct. To illustrate, if we multiply the 1981 industry total of $125,751,000,000 by the compound annual growth rate of 8.79 percent (1.0879) and then multiplied the result by 1.0879 and repeated the procedure three more times, we would obtain the 1986 result of $191,627,000,000. If the same procedure was duplicated using 10.48 percent (1.1048), the average annual growth figure, the result would be a projected sales figure for the industry of $206,981,000,000 in 1986.***

Michigan is hardest hit with Alabama not far behind. Washington is suffering from declines in lumbering. California has the same rate of unemployment as the rest of the nation. The highest rate of unemployment in the U.S. is in Greenlee county, Arizona. It stands at 57.8 percent due to the collapse of the copper mining industry.

Rates of unemployment are a little misleading because while the overall level is the key to a local economy, the change in the level is also very significant to the psychology of the area. Texas has an unemployment rate of 7 percent, which is 2.6 percentage points below the national average. However, in the past year, while the number of unemployed has risen by 27 percent nationally; in Texas, the number has risen 44 percent.

What this spottiness means is that more and more, programs will need to be tailored to the area because of the enormous variation in the regional and local economies. People are saving and looking for values and buys but are willing to withdraw from savings to get something they really want. Confidence is a frail, wispy sort of thing these days. It ebbs and rises over small changes. There is great uncertainty over personal economic well-being and this makes people very testy. This unease tends to send people back to foodservice establishments that they know. Risk taking is lower in these times with reduced tolerance for mediocre quality.

There is also, an increased emphasis on convenience. Convenience stores are doing well and take-out is increasing in popularity.

In our projections we look for separate eating places to slightly outperform the increase in personal income. Personal income will rise at about a compound annual rate of 9.7 percent, with separate eating places at 9.9 percent. The most powerful determinant of growth is total personal income.

This relationship will bear watching as consumer confidence returns and if inflation rates subside. It is possible to have higher real growth if those two conditions are met. In the past, we have seen as much as 4.3 percentage points real growth in separate eating places above the growth in personal income.

The institutional/internal group which is driven by changes in its population will decline slightly due to declines in enrollment and the cut backs in elementary and high school lunches, population declines in colleges and universities. We will see some increase in the health market as more of the population moves into the 75 and older age group and as births rise.

In the employee foodservice segment, blue collar employment will increase by one-half to one percent while white collar employment will increase two to three percent a year over the next five years. Contract caterers are focusing on white collar accounts as they offer better growth prospects and are not subject to the fluctuations of manufacturing. We have emerged from the negative overall growth years of 1979 and 1980 and should have positive growth over the next 5 years.

Separate Eating and Drinking Places

To appeal to customers seeking lighter, nutritional fare, Denny's developed a variety of eye-appealing salad platters.

Chicago's popular Ambria combines a light approach to French cuisine with artful presentations.

After two down years, real growth returned to the separate eating and drinking place market in 1981. And the compound annual growth rate of 2.5 percent for the next five years promises that this upward trend will continue.

The forecast indicates that fast food restaurants should continue to be the real growth leader (4.3 percent) in this market segment.

There are several factors supporting a healthier economic environment for restaurant operators. Spiraling food and labor costs have been tamed. As food commodity prices have stabilized so have menu prices. Labor costs have been contained since there was no increase in the minimum wage in 1982, the first time in eight years that there has been no hike.

Another springboard for more foodservice sales is the trio of tax cuts which should put more disposable income in the consumers' pockets.

However, one tax cloud hanging over the restaurant sector at presstime was the Dole amendment to the proposed Taxpayer Compliance Improvement Act which would cut in half the tax deduction on hometown business meals. According to NRA estimates, the provision would cost the restaurant industry between $1.5 billion and $3 billion in lost sales and would result in 60,000 to 100,000 lost jobs.

Nonetheless, a demographic factor favoring growth in the eating place market is the estimated 20 percent increase in the 25-to-44 year age group from 1981 through 1986. This segment dines out more frequently than any other and, according to the U.S. Commerce Department, has a tendency to increase its spending in line with its growing earnings.

While the outlook is optimistic, customer counts are still below the high levels achieved in 1979. As a result, independent and chain operators are concentrating their efforts on ways to build business and incremental sales.

Menu expansion is an effective method of building both new and repeat customers. "The popularity of our restaurants rests in breakfast and dinner business," notes Roger Williams, vice president and director of marketing for Bob Evans Farms.

As a result, the family restaurant chain recently introduced two new lunch platters: a pork barbecue and a breaded, boneless breast of chicken sandwich. Bob Evans Farms hopes these new products will become "signature items" for the chain much as their home-style biscuits and gravy dominate the breakfast and dinner menus.

The three leading hamburger chains have also added new menu items hoping to build further business during their traditionally soft period—dinner.

Reportedly the fastest new product roll out in the company's history, McDonald's McRib sandwich has capitalized on the barbecue craze. The pressed pork shoulder sandwich served with barbecue sauce, pickles, onions debuted following the success of Chicken McNuggets.

Wendy's seized the popularity of Mexican food as the springboard for its newest product: the taco salad. And, Burger King continues expansion of its speciality sandwich line with its double bacon cheeseburger.

Several chains have targeted the health-conscious customer as the prime base for "lighter" foods. Jack in the Box has introduced a line of "salads to go" and a baked fish dinner has been rolled-out at several Long John Silver's units.

Denny's pita pocket sandwiches and new additions to its well established salad line are also marketed to appeal to the lighter eater.

Independent operators are just as intent on attracting the calorie-counting consumers. At the chic Ma Maison restaurant in Los Angeles, owner Patrick Terrail notes in his "Les Nouvelles Gourmandes" publication: "For those seeking lighter food in the evening, Ma Maison's chefs have introduced a whole new grill section, and every night they serve a fresh fish or meat."

Other significant shufflings of menus have occurred. Kentucky Fried Chicken has returned to a "chicken only" policy. This year it added a chicken breast sandwich and Kentucky fries to help it boost lunch time sales—traditionally, a soft sales period for take-out chicken operators. And KFC is currently testing a Spicy Crispy addition to its chicken line as well as such new accompaniments as Mean Greens, Spicy Rice, and scratch biscuits.

In 1981, breakfast became the fastest growing meal period accounting for eight percent of customer counts and six percent of eating place sales. Companies like McDonald's with its egg McMuffin sandwich and Hardee's with its made-from-scratch biscuits are leaders in this segment.

However, there is some controversy regarding the profitability of starting up a breakfast menu. According to Dick Marriott, group vice president of Marriott's restaurant division, breakfast items were tested in some of the company's Roy Rogers units. He notes that the tests did not generate results which proved that the early morning menu would make a significant contribution to profits. As a result, the chain has dropped efforts to enter the morning menu fray.

Independent operators are also experimenting with menu items. At Metro, a new restaurant in Chicago, gourmet pizza—a West Coast craze—was recently introduced to boost sales in the early evening.

Fleming was intrigued by Wolfgang Puck's work at Spago restaurant in Los Angeles. As a result, he sent Metro's chef to California to visit with Puck. Today, four varieties of thin crust, gourmet pizza represent the success of the chef's tour of Spago.

Shrimp, mussels, tomato, leeks, red onion and mozzarella is one of the available combinations of the eight-inch single serving pies.

At Ambria, one of Chicago's most successful restaurants which made its debut in July 1980, chef and owner Gabe Sotelino (in a partnership with Richard Melman of Lettuce Entertain You Corp.) enhances the restaurant's ambience with his "cuisine legere." Combining a light approach to French cuisine with artful presentations, Sotelino arranges all entrees on over-size 14-inch wide plates.

Menu items like the calf's liver with mustard seeds and baked stuffed onion are made from scratch. As a result, the restaurant is open for dinner only, allowing Sotelino the time to create the evening's menu.

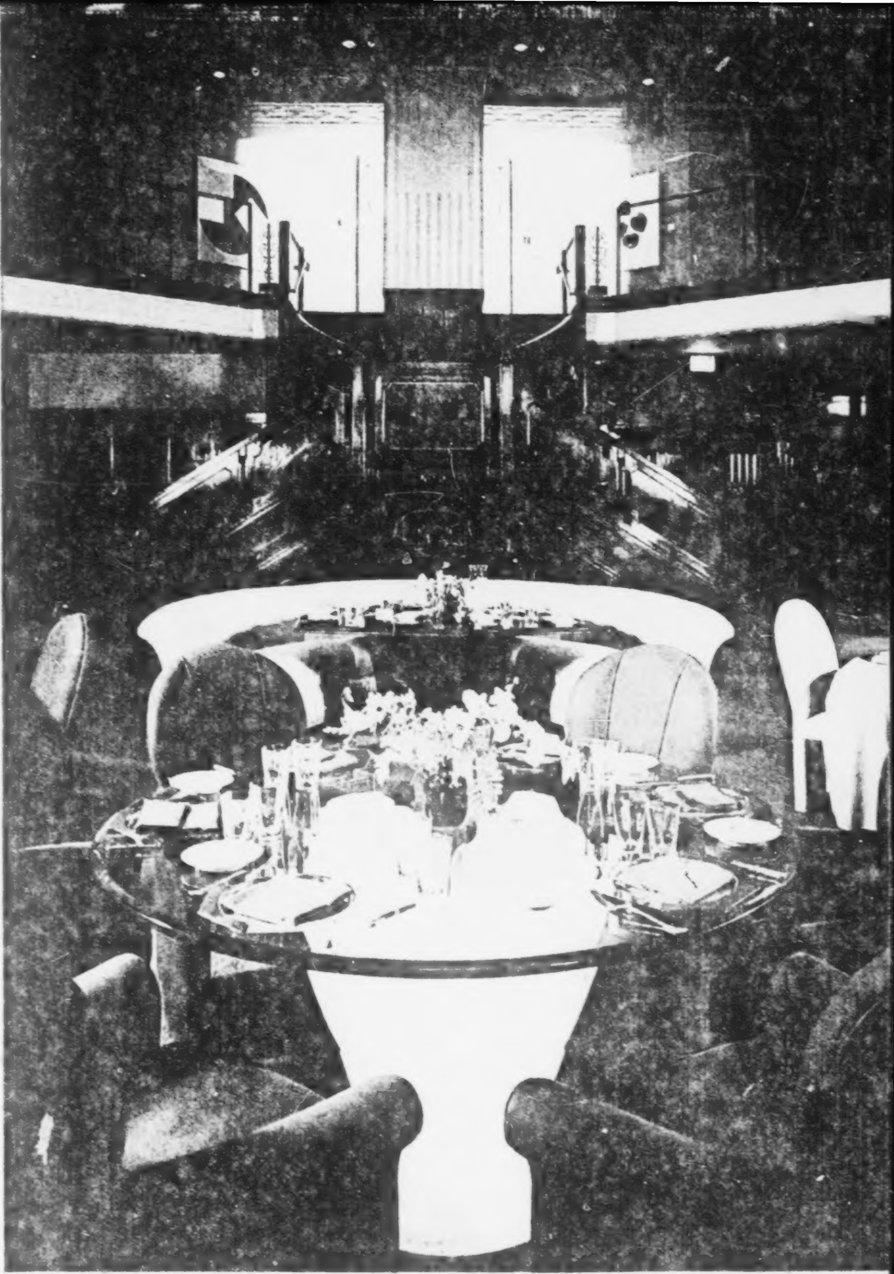
Restaurants with an emphasis on "fun" foods and eclectic decor have not lost their appeal. Chains including TGI Friday's, Darryl's, Houlihan's and Carlos Murphy continue to attract an upscale, young professional clientele with their trendy menus which feature items such as nachos, potato skins, fried zucchini and baked Brie.

Expanding the "fun" theme one step further, Southern Hospitality Corp., a franchisee of Wendy's and Mr. Gatti's Pizza, is expanding its Tempo's restaurant concept in Nashville. Described by the company as a "total entertainment concept," Tempo's combines a moderately priced menu concept with a nightclub. The initial unit is expected to exceed $2 million in sales its first year of operation. A second unit is set to open by the end of this year in Nashville.

As independents strive to create a total entertainment environment for their customers, decor becomes an important part of the package.

At Rex Il Restorante in downtown Los Angeles the main dining salon of Rex, a famous Italian

Southern Hospitality Corp.'s new concept, Tempo's, offers a variety of fun foods.



Rex II Restorante boasts an elegant and elaborate art deco motif.

ocean liner of the 1930's, has been recreated. The restaurant boasts an art deco motif and features carved pillars, silver-toned metal grillwork and a polished black marble dance floor.

Functional restaurant design is as important as the decor. As a result, pre-engineered/pre-fabricated buildings as well as labor efficient designs are helping independent and chain operators use their facilities more productively.

Robert Holdsworth, owner of the Redwood West restaurant located between Tulsa and Oklahoma City, saved $13 per square foot using pre-engineered components to build the restaurant. The Redwood West is constructed on a metal frame and features a heavily insulated pre-engineered metal roof and back walls to allow for expansion.

Friendly's new X building is the company's third generation restaurant. The X concept is designed to reduce investment costs and enhance productivity of the staff. A partially pre-fabricated building, the roof and exterior walls of the X building can be erected in one day. The X units are 25 percent smaller and cost 20 percent less to build than the traditional units.

The 43-seat Day Break Restaurant concept of Days Inns of America helps the company achieve fast turnover and low labor costs.

The unit features nine partially enclosed booths, and a five-stool counter in an abbreviated L-shape. This allows complete customer turnover in 20 minutes by no more than three employees.

Wendy's recently unveiled its new prototype building design. According to the company, the food preparation and serving areas have been redesigned for increased operating efficiency.

Back-of-the house computerization is another method to maximize employee efficiency. Michael Grisanti's Six Avenue restaurant in Louisville, Kentucky, utilizes a POS system to relay orders to the kitchen via a video screen which displays the orders to the chef. Due to the kitchen layout, the expediter can stand either in the front or the back of the main line and still have access to the POS display.

Computerization and restaurant operations are becoming more closely linked thanks to the video craze. Companies like Show Biz Pizza and Pizza Time Theatre have captured a younger audience with razzle-dazzle computer games and robots. Bullwinkle's Family Food 'N Fun restaurant is the newest entrant in this area. Bullwinkle's features entertainment by mechanical and costumed characters from the television cartoon show. To attract adults-only as well as families, there is a "quiet" dining area called "Dudley's Den" where beer and wine is served.

Burger King has begun to test instore video games on the East Coast in an undisclosed number of com-

Separate Eating and Drinking Places

1980 $74,737,000,000 + 8.6% Sales Growth	1981: $82,275,000,000 + 10.1% Sales Growth

1986: $129,068,000,000 +9.4% Sales Growth Compound Annual
+2.5% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Separate eating places	66,957	24,620	8.7	73,891	27,524	10.4	118,278	9.9	2.9
Full menu restaurants & lunchrooms	35,293	13,249	7.9	38,541	15,147	9.2	59,062	8.9	2.0
Social caterers	776	302	3.6	806	308	3.9	980	4.0	-2.6
Public cafeterias	2,164	821	5.8	2,315	878	7.0	3,245	7.0	0.2
Limited menu restaurants	27,435	9,842	10.0	30,809	10,744	12.3	52,783	11.4	4.3
Ice cream, frozen custard stands	1,289	406	8.4	1,420	447	10.2	2,208	9.2	2.3
Bars & taverns	7,780	2,840	8.4	8,384	3,061	7.8	10,790	5.2	-1.5
TOTAL	74,737	27,460	8.6	82,275	30,585	10.1	129,068	9.4	2.5

pany-owned and franchised units. During the test period, the company will assess customer reaction and potential profits.

As prime sites become increasingly difficult to find, many chains are investigating the feasibility of drive-through only units. These include: McDonald's, Church's, Burger King, Popeye's and Arby's.

Indeed, the take-out phenomenon is spreading and offers operators an additional avenue for growth. Tony Roma's renovated a fast food unit to create its first take-out only unit. And, it comes as no surprise that at this location in North Miami, ribs are the biggest sellers. The take-out unit generates $2 million in average annual sales.

TGI Friday's recently introduced its own take-out concept called "Fast Friday's." Chicago-based Kenneth's More Than A Deli chain of four units generates $3.5 million in annual sales. Take-out accounts for 25 percent of gross sales. Captain Crab's drive-through (a wholly-owned subsidiary of The Crab-house Seafood Restaurant) specializes in garlic crabs, fried catfish, oysters, clams and jumbo shrimp "to go."

Zipadee Bitz is a new fast food concept introduced by Dallas entrepreneur George "Bit" Jacobs. Using the drive-through concept exclusively, the chain's menu includes sub-style sandwiches, deep fried chicken chunks called Chic Bitz and Steak Bitz. The breakfast menu features a Pancake Zipee (a link sausage in a pancake wrapped on a stick with glaze) and the Apple Bitz (batter fried apple sticks).

While the general outlook for the industry is upbeat, there have been some financial shake-outs. It was a year for acquisitions as Hardee's acquired Burger Chef, Marriott acquired Gino's and Host, and Chart House acquired Houston-based Luther's barbecue restaurants. Magic Pan was sold to an undisclosed group while German entrepreneur Fredrick Jahn searches for a buyer for the troubled International House of Pancakes and Lum's.

Certain companies are attempting turnarounds by implementing alternative concepts. Sambo's, with its new executive management team in place is retrenching. Its latest concept, Pleasers for Your Appetite, "occupies a niche between coffee shops and theme restaurants," notes the chain's new president, Roger Kisiel. Pleasers features a trendy menu which includes barbecue ribs and chicken and made-to-order omelettes.

Budget steakhouses which are among the hardest hit chain concepts are branching out into other areas. Where steak has failed, perhaps a Mexican menu can help Ponderosa. The chain has acquired the rights to Casa Lupita.

Bonanza International Inc. has converted more than one third of its 595 restaurants to its Freshtastiks concepts—an expansion of its salad bar into an all-you-can-eat meal. Bonanza is also hoping its "fun" restaurants—People's—will give the company renewed sales growth.

The nation's retail store foodservice segment, consisting of department store restaurants, drug stores, convenience food units and other operations where foodservice is not the prime profit center, is in a state of flux. Department stores continue to upgrade their operations, but with great inconsistency from company to company. Convenience stores are gnawing away at restaurant market share by increasing the amount of prepared food and take-out food. In addition, a small but growing number of supermarkets, mostly in the Midwest, are experimenting with adding restaurants to their stores.

Department store restaurants continue to benefit from management's general perception that such operations can be profitable. However, under pressure to cut costs and the high price of retail floor space, some companies are only doling out enough capital for routine upgrading of in-store restaurants.

"I'm expected to show a reasonable return, but we're still stuck behind the rugs," says a regional Jordon Marsh foodservice chief, bemoaning the company's reluctance to relocate the restaurants into higher traffic locations. On the other hand, at Gimbel's downtown Milwaukee store, the foodservice operation has diversified into catering and also running food concessions at state fairs and other outings. Spurred by $5 million in 1981 sales, the downtown Milwaukee unit has been granted a prime, high-traffic location in a mall renovation project to open this month.

As foodservice sales increase, and the importance of these services are recognized, many management and development companies are expanding dining facilities.

The Philadelphia Bourse, the city's original commodities exchange, is now a 37-store mall with 17 outlets related to foodservice. Most of the operations are walk-up counters featuring fast food items.

In Paramus, New Jersey, the 25-year-old Garden State Plaza mall is fighting for market share in an unusually competitive area. The oldest of four malls within a three-mile radius, the facility is in the midst of a two-phase plan to enclose the separate units under one roof. Included in this plan is the development of a 13-unit food court scheduled to go on-line in the spring of next year. Howard Morrow, who is developing the concept for R.H. Macy properties, says the food court will occupy the lower level of the mall and will be visible to shoppers as they enter the building. Approximately 20,000 sq. ft. will be devoted to the court, housing 500 seats in a garden-like setting. The bill of fare will be fast food and anticipated revenues should be between $4.5 and $5 million by the second year, says Morrow.

While the mix of 17 foodservice operations out of 37 in the Philadelphia Bourse is high, considering that the operation shuts down by 9 p.m., it is not unusual. Scott Ditch, a spokesman for the Rouse Company, which developed the Baltimore Harbor project and the Grand Avenue in Milwaukee, says that the

Retail Market: Foodservice Sales

1980: $3,303,000,000 + 7.4% Sales Growth

1981: $3,586,000,000 + 8.6% Sales Growth

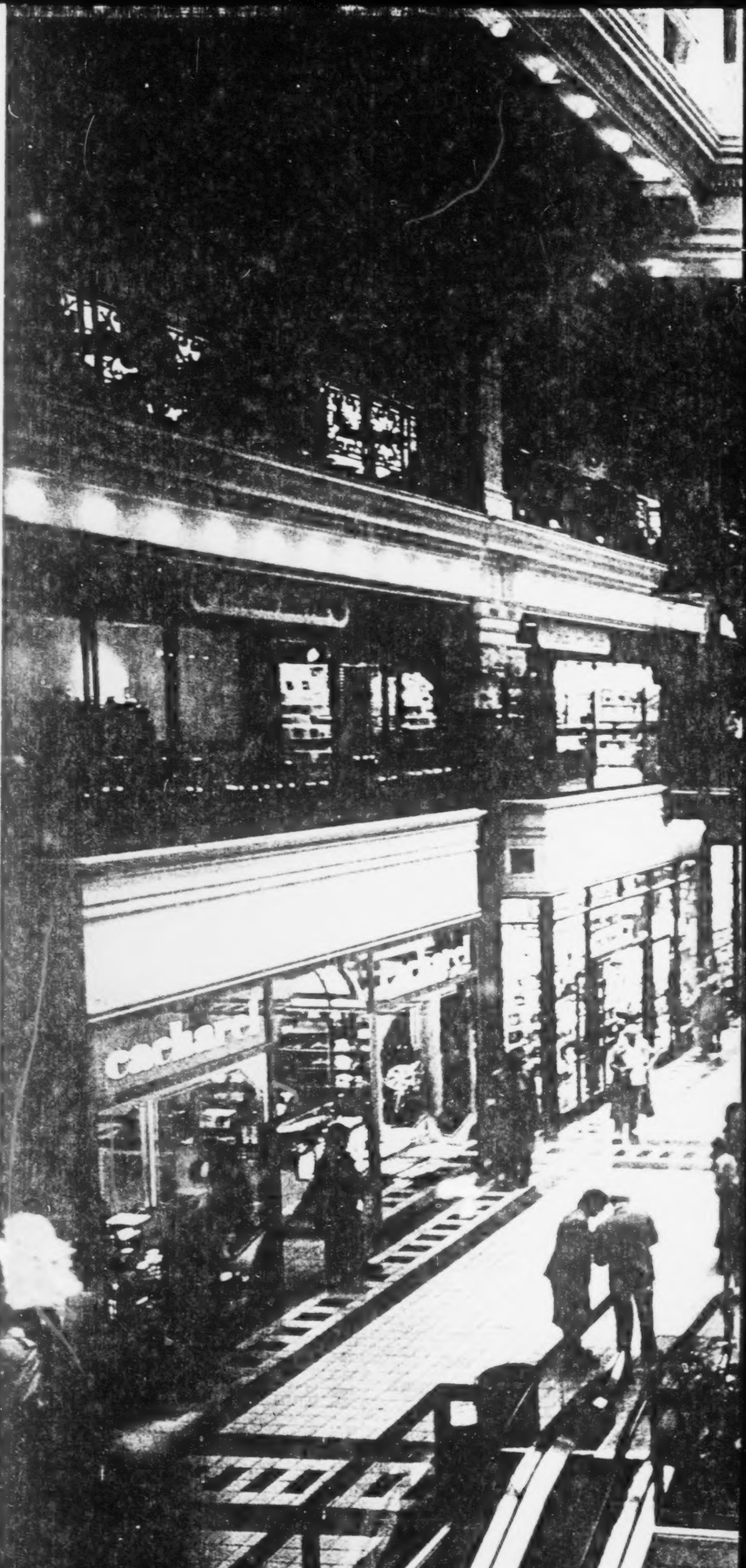
1986: $5,432,000,000

+8.7% Sales Growth Compound Annual
+1.8% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Department stores	1,040	406	5.4	1,121	426	7.8	1,643	8.0	1.1
Variety & general merchandise stores	506	192	7.7	551	201	8.9	827	8.5	1.6
Drug & proprietary stores	358	136	3.5	372	141	4.0	396	1.3	-5.2
*Other specialized retail stores (including food outlets)	1,399	499	9.8	1,542	532	10.2	2,566	10.7	3.7
TOTAL	3,303	1,233	7.4	3,586	1,300	8.6	5,432	8.7	1.8

**Other specialized retail stores include: Food stores including grocery and convenience, gasoline service stations and miscellaneous retailers (Liquor, cigar, etc.)*

The Philadelphia Bourse, the old commodities exchange, is now a 37 store mall with 17 foodservice outlets.



tenant mix in downtown renovations for food operations range from 25 to 60 percent. "In downtown projects, such as New York's South Street Seaport and the Baltimore Harbor project, food operations are very high," he says. He notes that in Baltimore, 65 percent of the retail outlets are food related. "What happens, is that these places become hot spots, and the hours of operation become high, like 120 hours per week, and this allows restaurants to break out of a strictly lunch trade into dinner."

Ditch says that in suburban malls the tenant mix for foodservice operation is growing and now ranges from 12 to 15 percent.

The nation's 38,000 convenience stores continue to bite into the food-away-from-home market with their fast food product lines. The 1982 state of the industry report by the National Association of Convenience Stores reveals that fast food and take-out prepared food sales reached $876 million in 1981. This represents an increase of almost 11 percent over 1980's sales of $791 million.

The 7-Eleven chain, the largest convenience store system with 7,098 units in the U.S. and Canada, now offers microwave oven service in almost all of its stores. According to a company spokesman, the average check for fast food sales in 7-Eleven stores is $2.36 and represents 5.2 percent of total sales.

Walgreen's Drug Stores, based in Chicago, are phasing out unprofitable and marginal in-store restaurants in favor of attached and freestanding Wag's restaurants. In the Midwest approximately 10 percent of the supermarkets have in-store restaurants, the greatest concentration in the nation, according to the Food Marketing Institute. Schnucks Markets, based in St. Louis, offer family-style dining in 20 of their 60 units. Based on a railroad motif, the attached restaurants have an entry through the store or from outside. The restaurants serve three meals a day.

ERICANA
1849
Westward Ho
186
1904
1927
1944
1969
1973

The Amway Corp. features seven dining areas (run by Canteen Corp.) each with its own distinctive decor.

The business and industry segment, one of the largest in the foodservice industry, achieved real growth of only 0.5 percent in sluggish 1981 with total sales reaching $8 billion. However, this performance is particularly significant when compared to 1980's real growth rate of minus 2.8 percent. *Restaurant Business* projections show this segment growing overall at a 1.5 percent real compound annual rate through 1986.

The gains made in business and industry sales have been through the purchases by white collar workers, offsetting cutbacks by their blue collar counterparts. These cutbacks, most evident in the automobile, steel and aircraft manufacturing sectors, have caused many contract foodservice companies to seek out new business from white collar employers.

Bob Kozlowski, senior vice president of the Canteen Corporation, in Chicago, reports that the company is moving away from their traditional customer base of industrial, blue collar workers and is actively seeking business in white collar centers. "We recognized some time ago the cyclical side of industry and the negative impacts it can have on our business, so we've been moving, and rather successfully, into less volatile areas such as government offices, high technology, and leisure."

Traditionally, blue collar feeding has operated on a profit-and-loss basis, but with the changing economic picture in manufacturing, Kozlowski says that the company has renegotiated many of the older contracts into a management fee structure.

According to Kozlowski, Canteen's business mix is now 60 percent management fee and 40 percent profit-and-loss. In addition, new business is up to 70 percent management fee, with profit-and-loss contracts strong in new leisure markets.

The trend in employee foodservice towards providing workers fare comparable to that found in restaurant chains has found its way into several company cafeterias. Richard Ysmael, corporate director for employee services of the Motorola Corporation, received top honors in PepsiCo's MVP (Most Valuable Promotion) award program for Institutional/Contract feeders this year with Chicken Natural. The program introduced a fast food item, and was intended to increase average lunch checks, alter the menu mix and increase speed of service. (Traffic increased nine percent and an in-house survey revealed that customers traded up for the product.)

Ysmael says that the company continues to recognize the growing importance of foodservice and its impact upon productivity and morale. "Our operation is now an integral part of employee relations in the eyes of top management. They realize the value in terms of how the employee views the corporation."

One way that Motorola keeps abreast of outside foodservice is through quarterly price surveys of nearby coffee shop and fast food restaurants. "We base our pricing on what our competition is doing. We make an effort to get below their prices," he says.

Ysmael adds that three new salads have been introduced, called Salads Ole. A Mexican-style food, similar to the taco salad product first rolled out by Wendy's, is a flour tortilla made of either chicken, vegetables or beef.

Jack Galione, president of Corporate Food Services, in New York, says that his company stresses lighter, natural foods and is eliminating all frozen vegetables in its operations. "Fresh is definitely in," he states. "We've introduced yogurt and natural cereal bars in the mornings and all our juices are freshly squeezed."

Corporate Food Services, says Galione, will increase its sales to $24 million with new business this year, more than double the volume of 1981. "Our philosophy has always been quality food and quality service. We have extended that to include our clients as well. We are very selective and only choose customers that are somewhat insulated from the normal up and down cycles of business." Galione says his customer base is made of legal firms, insurance companies and banks."

Joe Smyth, a regional foodservice director for Saga Corp., also notes a trend toward lighter meals among white collar workers. "The new executive lunch is now half a tuna salad sandwich on pumpernickel and a cup of soup," he says.

Karl Oldag, vice president for sales and marketing for the Custom Management Corporation, in Kingston, Pa., says that in both blue and white collar accounts his company must compete with outside operations in food and atmosphere. "We try to give them something comparable to McDonald's or Denny's in terms of service and surroundings," he says. To accomplish this, the company introduces a "scatter system approach" whenever the cafeteria layout permits. The scatter system, says Oldag, breaks the queuing up for service.

Oldag says that the menu mix is also being altered to be similar to commercial restaurants. Custom Management accounts, which include state office buildings in Pennsylvania, are placing more emphasis on finger foods, fast food, and soup and salad bar concepts.

Business and Industry: Foodservice Sales

1980: $7,355,000,000 + 7.0% Sales Growth

1981: $8,051,000,000 + 9.5% Sales Growth

1986: $11,801,000,000

+8.0% Sales Growth Compound Annual
+1.5% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Contract feeding in plants (cafeterias primarily)	2,121	988	5.2	2,316	1,079	9.2	3,352	7.7	1.4
Contract feeding in business offices	604	281	11.6	670	312	11.0	1,029	9.0	2.6
Internal feeding—plants & business	1,377	673	5.7	1,500	733	8.9	1,983	5.7	-0.1
Waterborne employees	258	155	10.8	287	172	11.1	385	6.0	1.1
Mobile on-street catering	467	160	7.4	510	175	9.2	790	9.2	2.2
Food vending machines (excluding packaged soft drinks and candy)	2,528	844	7.7	2,768	924	9.5	4,262	9.0	2.1
U.S. Defense personnel	N/A	1,664	N/A	N/A	1,747	N/A	***	***	***
Food furnished foodservice employees	N/A	3,329	N/A	N/A	3,479	N/A	***	***	***
TOTAL	7,355	8,094	7.0	8,051	8,621	9.5	11,801	8.0	1.5

****There is not sufficient data to develop individual projections for these sub-market segments.*

Among the eight major market segments, the leisure segment was the fastest growing segment of the foodservice industry in 1981, with a real growth rate of 1.6 percent.

Primary growth within this market was among the theme parks, arenas, stadiums and tracks group, with a reported increase in sales of 11.7 percent.

Although high prices for land near densely populated areas prevents rapid growth of theme parks, some new parks did debut this year.

One park nearing completion is Disneyworld's EPCOT (Experimental Prototype Community of Tomorrow). Although Disneyworld's national theme park in Florida reports a five percent decrease in traffic so far this year, the adjacent EPCOT will debut next month with 20 restaurants.

It will feature eight historical pavilions from other countries, and each will include a restaurant. Included will be a British pub serving items such as kidney pie and warm beer; a Canadian buffeteria with food samplings from each province; Le Chefs de France, a fine dining establishment; Alfredos, run by the owners of Rome's original restaurant of the same name; a German beer garden, featuring sit-down dinners with entertainment; a fine dining Mexican restaurant called San Angel Inn; and a Chinese restaurant.

The six-month World's Fair in Knoxville, Tennessee made its debut in May with 14 restaurants, 45 fast service snack shops and 27 one-item kiosks. According to Buck Mathias, director of food and beverage concessions, foodservice sales are "significantly above" the projected $4.09 per person check. Only five of the fair's snack shops serve the traditional hamburger/hot dog menu, which account for approximately 18 percent of food sales.

One of the World's Fair's upscale restaurants is the Sunsphere run by Hardee's Specialty Foodservice Div. in its 74 ft., 24-karat gold glass globe sitting atop a 192 ft. steel tower. According to Bob Sullivan, Hardee's director of development and 1982 World's Fair Project, the company's first venture into the leisure industry has been successful with an average of 2,000 visitors daily in its two-level fine dining restaurant, and 4,500 daily in Hardee's fast food restaurant at the Sunsphere's base.

Traffic is up in many regional theme parks, as families take vacations closer to home. Busch Gardens expects 3.2 million visitors this year, up from last year's 2.9 million, in its Dark Continent in Tampa, Florida, according to Mike Lewis, the park's food and beverage manager. Foodservice sales are anticipated to increase 30 percent, to $13 million. The park attributes this mostly to increased attendance as well as a small price hike, and efficient service. Lewis says 90 percent of visitors purchase food and beverage in the park spending an average of $4.20 per person.

Variety and individuality are themes throughout amusement parks, and Marriott's Great America in Santa Clara, California

Leisure Market: Foodservice Sales

1980: $2,462,000,000 + 10.2% Sales Growth

1981: $2,724,000,000 + 10.6% Sales Growth

1986: $4,383,000,000
+10.0% Sales Growth Compound Annual
+3.0% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Theme parks, arenas, stadiums, and tracks	1,680	11	11.4	1,876	682	11.7	***	***	***
Drive-in movie theaters	167	55	3.3	178	59	6.4	***	***	***
Bowling lanes	501	188	9.4	550	206	9.8	***	***	***
Summer camps and hunting facilities	114	69	6.5	120	73	5.5	***	***	***
TOTAL	2,462	923	10.2	2,724	1,020	10.6	4,383	10.0	3.0

****There is not sufficient data to develop individual projections for these sub-market segments.***

At the 1982 World's Fair in Knoxville, Tenn., the Sunsphere, with two upscale restaurants and one fast food facility run by Hardee's, is the main attraction.

opened in April a unique concept called "Kid Kingdom," a child-sized world where foodservice employees stand on sunken floors to serve children at eye level. Designated as a park attraction, Fudd's Food Factory within the Kid Kingdom serves tiny hamburgers, hot dogs and cookies, and the park says sales are high so far.

Another new park is MetroZoo, in Miami, which opened in December. Its foodservice is operated by Sportservice. According to Sportservice president Herbert Ring, the park has many snack bars plus a central self-service restaurant. With a per capita spending of $2.35 and attendance 40,000 over the projected 1 million guests, Ring notes that sales are strong for finger foods such as nachos and pizza.

With the federal government's Park Rehabilitation and Improvement Program (PRIP) which will invest an extra $750 million in parks over a five-year period, Canteen is looking to expand in that segment of the foodservice market.

George Toney, president of Canteen's concession division, says government money to upgrade park facilities will reduce Canteen's burden, and the company can therefore "deliver the product at less cost." He says sales are up within their parks because of increased traffic (attendance is up 5.6 percent over last year), but the check averages are down as people choose less expensive menu items.

Although the economy reportedly hasn't changed attendance at ball park stadiums, racetrack attendance is down, and food choices are changing. John Dee, president of the leisure services group of ARA, says, "There is a backward movement at the racetracks. Dining room patrons are moving to cafeterias, and cafeteria patrons are moving to the concession stands. On the other hand, those still frequenting fine dining restaurants are demanding the highest quality."

Herbert Ring of Sportservice, which runs foodservice operations at more than 50 facilities, says his company is looking to improve its stadium and track business through a four-part development program. The program encompassing the industry's four major trends, includes: more aggressive marketing; greater emphasis on employee training; new finger foods; and tighter production controls.

Sophisticated students who are both price and nutrition conscious are putting pressure on school administrators for more foodservice options.

Flexibility appears to be the key ingredient to attract and hold student interest in a market which posted a miniscule real growth rate of 0.1 percent in 1981.

As students opt for a variety of fresher, more natural foods and flexible dining hours, savvy operators are responding with "fun food" kiosks, ethnic formats, a la carte menus, lean, lo-cal meals and even recipes from home provided by mom.

Developed and implemented over the last three years, Saga's Grand Marketplace is a masterpiece of variety offering college students a choice of 15 food formats ranging from the ever popular hamburger (Bun Appetite) to ethnic items (Cafe Ole) to fun foods like fried zucchini and mushrooms (Potpourri). Saga locates its Grand Marketplace in the student union areas of its college accounts. To date, 50 clients have adopted this foodservice concept.

Saga approaches each campus on an individual basis and works with the university to discover what kind of foodservice is necessary. A university can choose all 15 Grand Marketplace formats or can mix and match the ones most appropriate for its student body.

Both hearty eaters and weight conscious students have freedom of choice at meal time with Canteen Corp.'s "by the ounce" program which allows them to make their own salads, sandwiches and other menu items. As a result of this program, even entrees such as beef stew or Swiss steak are priced according to portion size—by the ounce or by the piece. In addition, at some campuses, a well-stocked produce stands featuring fruits, vegetables and cereals provides healthful foods which are also sold by the ounce or the piece.

According to Hugh Feeney, Canteen's director of food standards and training, students can now match their meals to both their budgets and their appetites. "Thanks to the program, the student who wants to purchase only a half sandwich has no problem," he adds.

Feeney also points out that self-service bars, added in a number of education accounts, serve a dual purpose. First, these stations allow the company to showcase fresh fruits and vegetables in a salad bar format. This, notes Feeney, helps satisfy the growing student demand for more nutritious foods.

Second, these self-service areas are also used to spotlight trendy foods. For example, a taco bar on Monday becomes a "finger food bar" (featuring seven or eight selections of items including fried beef, chicken and zucchini strips) the next day and a fresh fruit bar with frozen yogurt on yet another day.

As fast food chains continue to locate near college campuses, foodservice management firms are becoming more innovative to keep students spending their money on rather than off-campus.

At one college, for example, Custom Management Corp. purchased a hot dog pushcart (complete with umbrella) and received an overwhelmingly positive reaction from the student body. To compete with local delis and pizza parlors, the company is also implementing take-out services called "snacks to travel."

Well aware of the growing emphasis on nutrition, the company has tied its "Four for Fitness" nutritional education program into a computer program. According to Carol Howell, vice president of professional services, students have the opportunity to plan a diet and exercise program with computer services provided by Custom.

The company also helped organize fitness clubs on 10 campuses. "These clubs were designed for those students who were serious about eating right. Detailed health histories were maintained throughout the year and prizes were awarded in May to those students who met their goals," she explains.

Sleek, contemporary design highlights The Grill at the University of Arizona.

Custom has initiated a program in which the parents send the school a favorite recipe. The item is then prepared and delivered to the student. The occasion may be the celebration of a birthday or special event or just to cheer up the student.

At the University of California at Davis, parents send in their favorite recipes (at the request of dormitory cooks) which are reproduced in campus facilities. Approximately 48 "Favorites from Home" have debuted on the dining hall menu since the program was instituted last year.

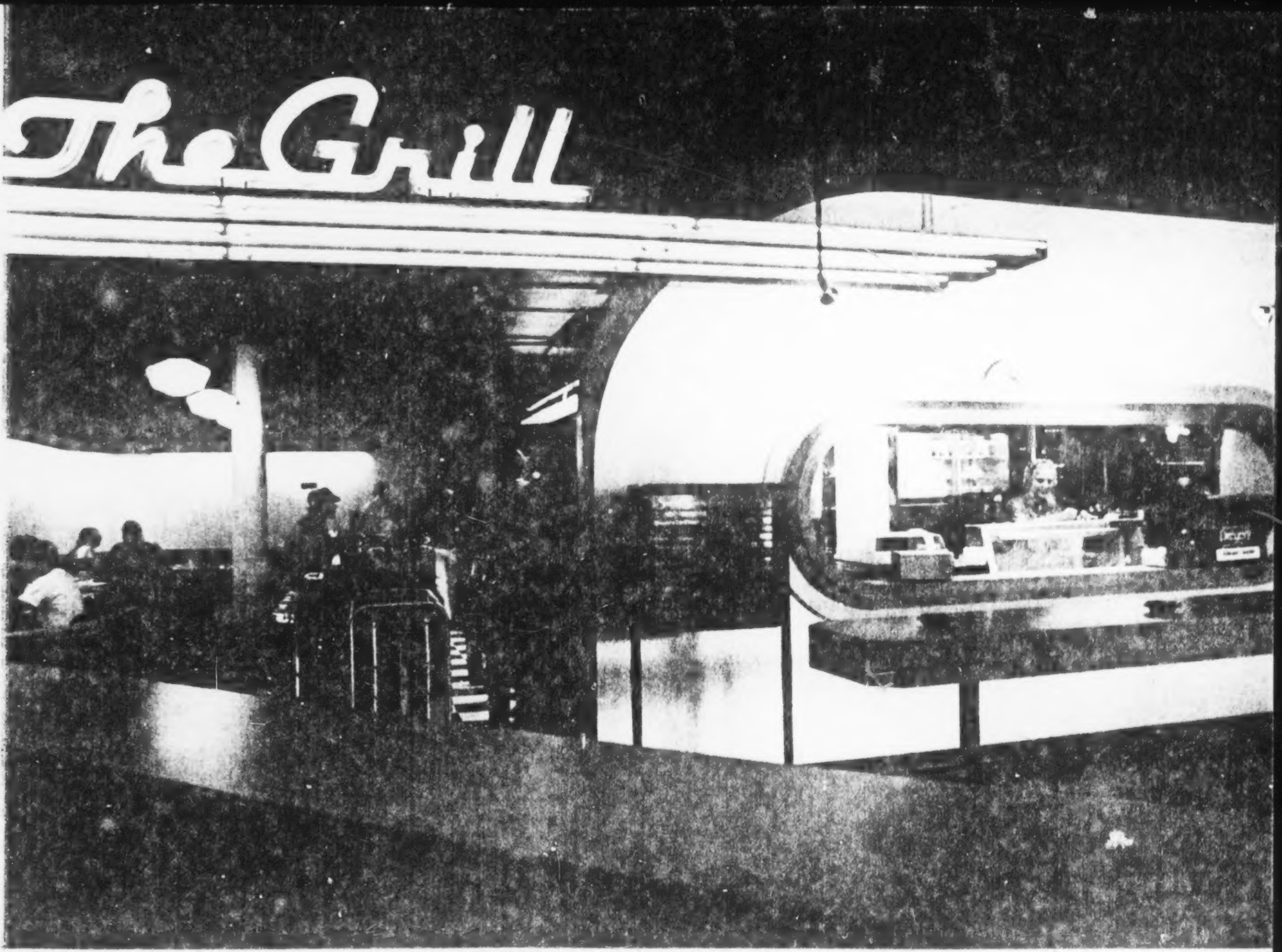
The impact of last year's round of budget cuts on elementary school meal programs was not as devastating as first feared. While the average price of a reimbursable meal has increased between 20 and 25 cents, it still represents the best lunch in town.

However, cutbacks have increased the necessity of a la carte programs. "We have not changed as much as I anticipated last year, but we are putting more emphasis on our a la carte programs," notes Lineea Storm, vice president of school services for ARA.

Storm points out that the company's "Rainbow" nutritional program (matching colors to each basic food group) is included in the a la carte service.

To insure well-balanced meals, the company is providing more protein sources, salads, sandwiches and soups while keeping potato chips and, in most cases, soda off of the cafeteria line.

The Student Market



Student Market: Foodservice Sales

1980: $6,379,000,000 + 10.8% Sales Growth

1981: $6,958,000,000 + 9.1% Sales Growth

1986: $8,428,000,000

+3.9% Sales Growth Compound Annual
-2.4% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
School-internal (public, parochial, elementary & secondary)	2,312*	3,117**	8.2	2,462	3,319	6.5	2,534	0.6	-5.8
School—contract	629	305	9.0	676	328	7.5	813	3.8	-2.8
Colleges, universities—internal	2,298	1,160	12.7	2,544	1,284	10.7	3,367	5.8	-0.4
Colleges, universities—contract	1,140	397	13.5	1,276	444	11.9	1,714	6.1	-0.1
TOTAL	6,379	4,979	10.8	6,958	5,375	9.1	8,428	3.9	-2.4

**Actual cash receipts from children reported by states to USDA (plus parochial and other private schools. Sales are lower than purchases because of subsidy programs.*

***Not including $1,063 million worth of commodities and milk, a 21.9% increase from 1979.*

Duck's & Company at the Hyatt in Oakland, Ca. has become a prototype for the hotel chain's other restaurants.

The lackluster performance of the $30 billion lodging industry is evident in the 1.8 percent average drop in occupancy rates during 1981. And, according to Douglass Fountaine, president of the American Hotel & Motel Association, occupancy rates should drop another three to five percent during 1982. (The escalation of room rates has helped minimize the impact of falling occupancies on earnings.)

However, the long term outlook for the hotel market seems good since demand for rooms should continue to outpace supply. The supply of new rooms is expected to grow at a rate of two percent while demand is projected to increase at a real growth rate of four percent. Foodservice sales in this segment are expected to increase at a 1.8 percent compound annual rate.

Traditionally, the hotel industry lags two or three quarters behind other foodservice segments. As a result, while business begins to pick-up in other areas, hotels are still grappling with the recession's impact: drops in business, convention and pleasure travel, as well as curtailment of international tourism due to the strength of the U.S. dollar.

Not all chains have suffered a drop in occupancy. For example, Ramada Inns Inc., domestic company-owned hotels, gained 3.6 points in occupancy in 1981.

Notes Juergen Bartels, president of Ramada's Hospitality Group: "The Hotel Group reported record 1981 operating profits, a strong 12 percent increase over 1980."

Ramada's strategy for growth began over one year ago with its entry into the high quality end of the market. This June, the company added a new classification—Ramada Hotels—to create a three tiered segmentation of mid-priced accommodations.

By straddling all segments of the mid-priced market, Ramada hopes to serve the needs of cost conscious customers with a variety of services and amenities.

According to Bartels, the system of Ramada properties should reach 750 by 1985: 600 inns, 110 hotels and 40 Renaissance properties.

Quality Inn's expansion is also facilitated by offering three classes of lodging accommodations in the domestic market: Comfort Inns, Quality Inns and Quality Royales.

Quality Royales represent the top of the line property and are to be competitive with Westin, Marriott, Hyatt, Hilton and Sheraton properties. Marketed to attract business executives and upscale professionals, the Quality Royale will feature a gourmet restaurant, European style service (including a concierge) and upgraded facilities.

The Quality Inn—the majority of the properties—attract the commercial traveler and middle income vacationer. These properties provide an on-premise restaurant. Quality Inns compete with Holiday Inn, Ramada Inn, Howard Johnson, Rodeway and TraveLodge.

Comfort Inns are targeted to attract the price sensitive traveler. While it must be located near a restaurant, it does not need to provide one. Comfort Inns compete with Days Inns, Best Western and Friendship Inns.

Westin is another chain with ambitious expansion plans—the company plans to add 22 properties between 1980 and 1985 at an estimated cost of $1 billion.

A $42 million hotel and condominium complex will open in November in Vail, Colorado. The hotel will feature a cafe which includes a boulangerie (bakery) and creperie. An open bakery will be located at the cashier.

At the hotel's upscale restaurant, Alfredo's, the focal point is the open production kitchen for rotisserie, pasta, salad and souffle production. Display tables will showcase desserts, pates, antipasto and wines.

Properties in Birmingham, Dallas, Ottowa, Tijuana and the Westin Hotel in Boston's Copley Place development are scheduled for completion next year.

Expansion is not limited to the industry giants. According to Joel Simon, president of Prime Management Company, which owns and operates 55 properties on the East Coast, the chain will develop several new properties in certain areas of New Jersey, Westchester County and Connecticut. "Industry is gravitating to these areas and we are following that trend," he notes.

Indicative of the growth of corporate headquarters in northern New Jersey, Hilton opened a property last year in Parsippany, N.J. with Prudential Insurance Company as its partner.

The Parsippany Hilton features 364 rooms (another wing of 154 rooms should be completed by spring) as well as two restaurants and two bars: Livingston's, the gourmet restaurant; The Meadows, the main dining room; Shadows, an entertainment lounge; and the Lobby Bar, which is located off of the Atrium Court.

According to Octavio Gomez, the hotel's food and beverage director, the property's location on the Prudential Business Campus provides a built-in market for the hotel's catering division. In addition, the hotel has capitalized on its proximity to the wealthy suburbs surrounding the property with a $14.95 all-you-can-eat Sunday Brunch.

Hotel food and beverage facilities are becoming increasingly competitive with freestanding restaurants in order to attract a clientele of local customers as well as hotel guests.

The Hyatt in Oakland, California attracts a large local lunch following thanks, partly, to its location in an industrial park near the airport. "Due to our location, local business people are inclined to entertain clients at our specialty restaurant, Ducks & Company," explains Rick Carbone, director of food and beverage for the property.

Carbone attributes part of the 250-seat restaurant's success to the extensive salad/pasta and soft serve ice cream dessert bars which are featured. These items were introduced two years ago when the hotel underwent a major renovation. "Ducks became a prototype for other Hyatt restaurants," he notes.

The smell of fresh sour dough garlic bread baking in the restaurants and the sight of ducks continuously cooking on two copper rotisseries are additional selling points of the restaurant.

To combat the softening in the market, many companies are adopting a more aggressive posture and initiating innovative promotional campaigns. During 1981 Sheraton heavily promoted its World Cookbook, a collection of 250 recipes from 100 of its chefs all over the world. (Recipes were specially adopted for home kitchen use.) The promotion was tied in with local retail stores, where the chefs demonstrated the recipes.

Boston is becoming a hot bed of hotel activity. Within the last year both the Marriott and Meridien chains have opened properties. And, as previously mentioned, Westin will open in early 1983.

Hotel/Motel Market: Foodservice Sales

1980: $6,599,000,000 + 7.2% Sales Growth

1981: $7,094,000,000 + 7.5% Sales Growth

1986: $10,765,000,000

+8.7% Sales Growth Compound Annual
+1.8% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Hotels	4,440	1,521	8.0	4,804	1,646	8.2	***	***	***
Motor Hotels	791	272	6.6	837	288	7.1	***	***	***
Motels	1,368	481	5.1	1,443	507	5.5	***	***	***
TOTAL	6,599	2,274	7.2	7,094	2,441	7.5	10,765	8.7	1.8

****There is not sufficient data to develop individual projections for these sub-market segments.*

The Health Care Market

Although hospital bed occupancy is increasing slowly, rising food and labor costs, and diminishing government funds, are forcing hospitals to carefully scrutinize their foodservice expenses. According to the American Hospital Association, hospital bed occupancy was 77.7 percent in 1980, 76.1 percent in 1979, and 75.5 percent in 1978.

According to Ted Glover, senior vice president of Morrison's Management Services, which operates foodservice for 185 health care facilities located mostly in the Southeast, patient counts have been diverse. "The number of beds filled is down in depressed areas, where only people with serious illnesses will enter hospitals, but the occupancy is near 100 percent in better areas," he explains. He adds, "The unstable economy has reduced elective surgery, and average stays are shorter due to improved medical treatment and increased prices."

Conversely, Dave Witten, national director of health care services for Canteen, sees the troubled economy as increasing hospital visits. He notes, "People losing jobs get tension-related illnesses and people out of work will get elective surgery they've been putting off for lack of time."

A growing trend in the cost-conscious hospital field is the utilization of contract caterers to run hospital foodservice. Although business for contract caterers accounts for only 11 percent of hospital foodservice sales, this segment is growing at a compound annual rate of 1.6 percent, more than twice that of internal hospital foodservice operations.

Canteen's Witten says hospital contracting for outside foodservice has increased 22 percent industry-wide so far this year. "Canteen has opened 11 new accounts in seven months, growing at a rate of 32 percent," he says. Six of the company's new accounts were previously self-operated; the remaining five were run by other management firms.

Dick Macedonia, area sales manager for Saga Corp. which operates 154 health care foodservice facilities, agrees. "We're taking over other facilities from competitors and privately-run institutions. This increases our sales volume at a compounding rate of 22 percent per year, with a real growth rate of 10-12 percent. Because hospitals want to be cost efficient while maintaining quality and good service, our cost benefits are becoming more attractive to these institutions."

Marriot health care operations are striving for cost containment by installing computer systems and managing with their hotel expertise.

Another money-saving development in the health care foodservice industry is the growing use of computers to improve food inventory, purchasing and portion controls, and employee productivity.

Canteen, for example, has developed what it calls a CQFSP (Canteen Quality Food Service Program) which incorporates a computer system and recipe books. Each night, a worker tells the computer the number of servings that will be needed for each recipe. By morning, this is broken into the exact number of ingredients needed to prepare that day's meals. Meals are then prepared by a cook using Canteen's recipe card program, which provides pictures of each menu item demonstrating preparation steps and plating. Foodstuffs are provided to the cook via an ingredient room, where all food is weighed out for the cook's convenience.

A third way many hospitals are cutting food costs is through group purchasing and prime vending, which increases the purchasing power of hospitals with internally run foodservice.

According to Chuck Braden, head of nutritional services at Lutheran Hospital in Fort Wayne, Indiana, his facility has reduced costs through these means. "These programs are growing because everybody is money conscious, and this is one of the chief ways of reducing costs," he says. "Through our group purchasing/prime vendor purchasing, area hospitals pool their food and supply orders and, with such large orders, demand reduced prices. By dealing with few vendors, we are important to them and get top service. The system reduces our labor costs, and holds down food and supply costs."

Competition is increasing in the health care industry, so hospitals are using foodservice as a marketing tool. Saga's Macedonia explains a primary reason for this trend: "Since the majority of hospital payments are made by third parties such as the government and insurance companies, the government is looking for a model to create competition to drive prices down."

An outgrowth of this competitive attitude is the increased use of three food-related concepts: "stork" programs, restaurant-style menus, and deluxe meals.

The stork programs generally entail a "candlelight" meal for new parents.

At the Presbyterian Hospital in Dallas, for example, suites have included gourmet meals, fruit baskets and stocked refrigerators for 15 years. The four Baylor hospitals in that city have expanded their suite program—with meals such as lobster, shrimp and beef Wellington—to include 40 suites from a total of 1,275 beds.

A major potential growth area for health care foodservice seems to be with senior citizens. Although "meals on wheels" programs are reportedly remaining at a standstill as government subsidies decrease, many companies see seniors in their future. Ian Ferguson, division vice president of Marriott, says "more opportunity in the long-term care and retirement residences market" is a dominant trend in the industry.

Health Care Market: Foodservice Sales

1980: $9,916,000,000 + 10.0% Sales Growth

1981: $10,884,000,000 + 9.8% Sales Growth

1986: $15,498,000,000 **+7.3% Sales Growth Compound Annual**
+1.1% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Hospital—internal	6,668	3,017	10.1	7,328	3,316	9.9	10,244	6.9	0.7
Hospital/nursing home—contract	832	333	10.8	918	367	10.4	1,342	7.9	1.6
Other institutions—internal (for specialized care including nursing and old age homes, orphanages, etc.)	2,416	1,528	9.5	2,638	1,668	9.2	3,912	8.2	1.9
TOTAL	9,916	4,878	10.0	10,884	5,351	9.8	15,498	7.3	1.1

The Transportation Market

Overall, U.S. travel—including air, rail, bus and auto—was up 11.5 percent in 1981 over the previous year, according to the United States Travel Data Center. However, the USTDC reports a drop of five percent in travel in the first quarter of 1982 compared to the same period last year.

Due to the air traffic controller's strike and overall economic conditions, air travel decreased 3.9 percent last year, with a 25 percent rise in the first quarter of 1982, USTDC statistics show.

With rising costs and increased competition caused by deregulation, airlines are scrutinizing their foodservice. Airlines traditionally spend three percent of their revenues on foodservice.

Carl Dunaway, vice president of marketing and sales for Dobbs House, explains: "Airlines will upgrade their menus to get people on or downgrade them to save costs, but there's no one dominant trend among airlines."

Overall, major trunk airlines are maintaining foodservice levels, and some are increasing their meal service and using it as a marketing tool. Short-haul flights, however, especially on the smaller airlines, have seen reduced portions, less expensive foods, and snacks instead of full meals in some portions of the industry.

Reflecting varying degrees of economic hardships nationwide, Ogden group vice president Stephen G. Milks says: "We find our domestic kitchens doing well although the Northwest and West are weaker due to unemployment, and it seems the smaller airlines were stronger hit by deregulation."

To reduce costs, many companies, such as Marriott's In-Flite Division, are adding computers to track employee hours and regulate food usage. Vice president Bill Bailey explains, "The computer systems we're adding will measure the length of time needed to prepare an item, the food quantity required, and the amount of labor needed which will allow us to develop theoretical minutes to help us schedule workers correctly."

Many airport terminal facilities are being redesigned to meet the needs of their particular customer base.

Host, which recently doubled its terminal operations through its merger with Marriott has remodeled some of its older airport facilities to give them a more contemporary look. Included in this task was designing some of the restaurants with themes from the history of their locations.

For other long-distance travel, overall rail maintained a one percent annual increase in traffic in 1981, according to the USTDC.

Amtrak reports a three percent rise in ridership so far this year. Amtrak has test-marketed its new club service, which includes a preplated frozen meal heated in a convection oven for first class passengers.

To reduce lines in snack cars for coach passengers, Amtrak has added "TrackPacks," boxes filled with a variety of healthy foods, or items generally chosen to accompany alcoholic beverages. Passengers can satisfy a whole trip's food needs with only one trip to the snack bar.

Bus terminal foodservice has become faster and less expensive. Last year, Continental Trailways created Refreshment Centers at many locations. Division manager Ed Linden reports: "Traffic on our busses is up 10 percent due to our lowered fares, and food sales are up five to 10 percent because we've streamlined our operations in order to serve more passengers. By installing microwave ovens in our Refreshment Centers, we have decreased our labor costs."

Greyhound's Public Service Division (formerly called Post Houses) has increased foodservice customer traffic by 20 percent, despite a declining number of bus travellers since the gas crunch ended. They did this by placing Burger King franchises in 26 downtown city terminals over the last five years, and by converting cafeterias to snack bars.

Toll roads are also expanding into fast food. Where Howard Johnson's and Marriott traditionally dominated the market, fast food chains—like McDonalds on the Garden State Parkway in New Jersey and Hardee's on the Pennsylvania Turnpike—are finding significant growth potential by converting the old line coffee shop/cafeterias to their more popular fare.

Sky Chefs has also come to the toll roads. The airline caterer took over nine southern locations on the New York State Thruway.

Transportation Market: Foodservice Sales

1980: $1,882,000,000 + 7.1% Sales Growth

1981: $1,957,000,000 + 4.0% Sales Growth

1986: $3,119,000,000

+9.8% Sales Growth Compound Annual
+2.8% Real Growth Compound Annual

	1980 Sales ($000,000)	1980 Purchases ($000,000)	1980 vs 1979 % Growth	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1986 Sales ($000,000)	% Compound Annual Growth	Real % Compound Annual Growth
Air & rail (in transit)	1,021	509	7.6	1,046	521	2.5	***	***	***
Terminal facilities	482	171	6.2	504	179	4.5	***	***	***
Highway (interstate)	263	95	5.1	279	101	6.2	***	***	***
Passenger & cargo liners	116	64	11.6	128	71	10.4			
TOTAL	1,882	839	7.1	1,957	872	4.0	3,119	9.8	2.8

****There is not sufficient data to develop individual projections for these sub-market segments.*

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15th Annual Restaurant Growth Index

by Jeffrey Hall

As the government continues the lengthy task of tabulating the results of the 1980 Census, those of us who analyze the released data continue to find interesting and important demographic trends. The 1982 Restaurant Growth Index (RGI) provides an in-depth report of trends crucial to the foodservice industry. The trends are revealed not merely by the Census, but by our analysis of a wide range of significant market factors. These include our updating of census demographics; our studies of eating and drinking place, restaurant, and fast food establishment sales; and our determination of restaurant activity and growth for each geographic area.

Although the RGI provides the up-to-date specifics, we can return to census data to gain historical perspective, as well as to identify some key general trends that have affected the restaurant industry during the 1970s. As the new decade progresses, the continuance of these demographic trends will influence the nature and behavior of customers, including their eating out patterns.

One of the major demographic changes of recent times is the change in where people live. Last year's RGI highlighted the shift of the population in the United States from the industrialized North to the sunbelt and the Rocky Mountain states. Many of the reasons for this movement also affect changes within local areas. One result might be termed suburbanization. This is shown by the growth of areas that are inside the boundaries of metropolitan areas, but not part of the central cities of those areas. The percent of the nation's population living in central cities of feder-

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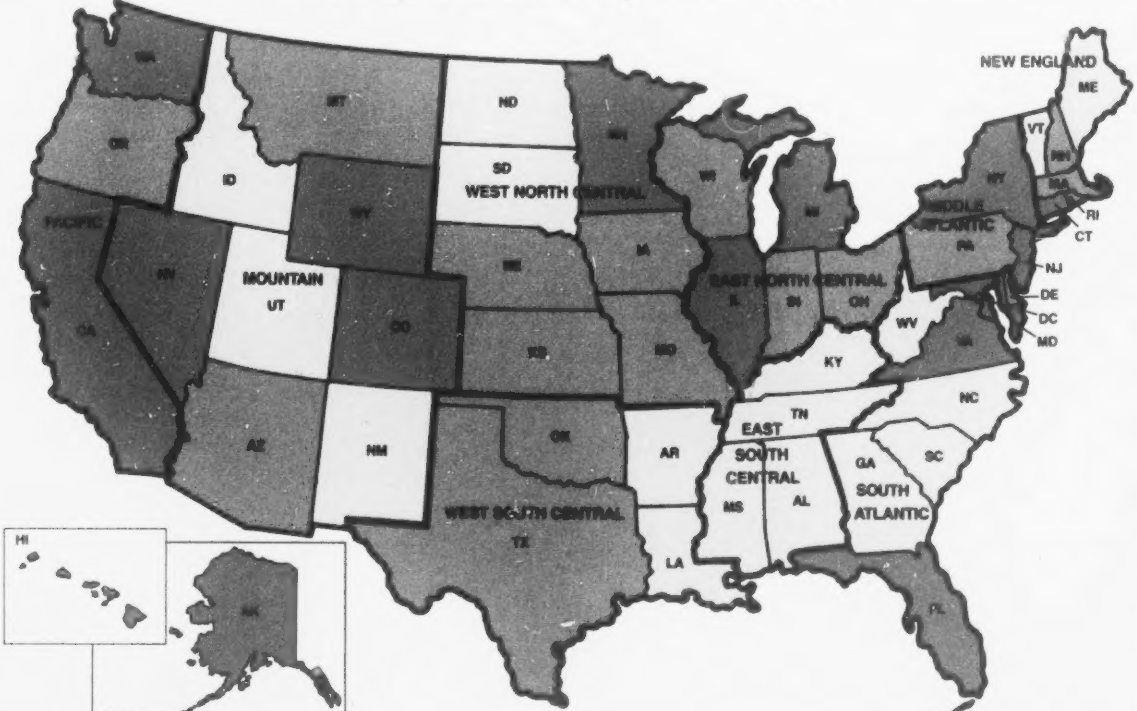
Jeffrey Hall is director of marketing for Market Statistics, a division of Bill Communications, Inc. All data are copyrighted by Restaurant Business *Magazine and* Sales and Marketing Management *Magazine and further reproduction is forbidden.*

Per Capita Income by State – 1979*


WA
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WEST SOUTH CENTRAL
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LA
FL
HI
AK

**U.S. average per capita income in 1979 was $7,313.*

Key: *Red equals top 17 states in per capita income.*
Blue equals middle 17 states in per capita income.
Yellow equals bottom 17 states in per capita income.

Table 3 RGI Demographic Highlights

REGION	GROWTH IN PER CAPITA INCOME			EMPLOYMENT CHARACTERISTICS		
State	($) Per Capita Income 1969	($) Per Capita Income 1979	% Change 1969–1979	1980 Females in Labor Force Index*	Unemployment Index 1980*	Unemployment Index April 1982*
NEW ENGLAND						
Connecticut	$3,900	$8,458	117%	107	74	73
Maine	2,550	5,846	129	96	118	99
Massachusetts	3,425	7,411	116	106	73	85
New Hampshire	3,023	6,931	129	109	71	89
Rhode Island	3,147	6,800	116	106	111	105
Vermont	2,776	6,245	125	105	95	96
MIDDLE ATLANTIC						
New Jersey	3,691	8,113	120	101	105	95
New York	3,650	7,469	105	96	108	83
Pennsylvania	3,093	7,172	132	91	118	110
EAST NORTH CENTRAL						
Illinois	3,512	7,789	122	102	114	107
Indiana	3,093	7,088	129	101	120	131
Michigan	3,373	7,708	129	97	176	165
Ohio	3,221	7,262	125	97	126	128
Wisconsin	3,046	7,272	139	106	102	106
WEST NORTH CENTRAL						
Iowa	2,894	7,224	150	102	79	90
Kansas	2,945	7,199	144	102	61	57
Minnesota	3,052	7,529	147	110	83	74
Missouri	2,983	6,882	131	100	103	89
Nebraska	2,814	7,034	150	103	55	55
North Dakota	2,479	6,470	161	96	85	53
South Dakota	2,417	5,902	144	100	82	54
SOUTH ATLANTIC						
Delaware	3,278	7,392	126	104	100	81
District of Columbia	3,859	9,016	134	118	98	113
Florida	3,092	7,593	146	93	74	84
Georgia	2,649	6,682	152	104	89	76
Maryland	3,540	8,154	130	110	88	91
North Carolina	2,492	6,177	148	110	85	87
South Carolina	2,313	6,191	168	107	94	112
Virginia	3,013	7,549	151	106	71	77
West Virginia	2,338	6,243	167	73	134	119
EAST SOUTH CENTRAL						
Alabama	2,332	5,975	156	91	117	138
Kentucky	2,437	5,935	144	86	135	110
Mississippi	1,935	5,327	175	94	109	102
Tennessee	2,469	6,180	150	98	112	114
WEST SOUTH CENTRAL						
Arkansas	2,155	5,467	154	90	103	101
Louisiana	2,345	6,321	170	88	88	105
Oklahoma	2,723	6,933	155	95	67	52
Texas	2,810	7,266	159	102	59	63
MOUNTAIN						
Arizona	2,945	7,030	139	96	88	88
Colorado	3,118	8,138	161	112	74	70
Idaho	2,649	6,224	135	96	120	112
Montana	2,712	6,698	147	99	132	99
Nevada	3,570	8,561	140	121	94	91
New Mexico	2,449	6,137	151	94	108	83
Utah	2,703	6,399	137	99	82	81
Wyoming	2,910	7,982	174	102	65	54
PACIFIC						
Alaska	3,765	10,171	170	121	144	114
California	3,632	8,296	128	105	100	100
Hawaii	3,378	7,790	131	115	68	64
Oregon	3 163	7,431	135	101	129	126
Washington	3,370	7,922	135	101	115	132
United States Total	**3,139**	**7,313**	**133**	**100**	**100**	**100**

* *U.S. Average = 100*

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ally designated standard metropolitan statistical areas (SMSA's) has been slowly declining for the last 30 years: In 1950, 33 percent of the U.S. population lived in central cities; in 1960, 32 percent; in 1970, 31 percent. The 1980 Census showed 30 percent of our population in central cities.

By contrast, the metropolitan population outside those central cities (in roughly speaking the suburbs) has grown vigorously: Suburban population in 1950 represented 23 percent of the U.S. total; in 1960, 31 percent; in 1970, 37 percent. By 1980, this metropolitan, but non-city, component was by far the dominant segment of our population, containing 45 percent of all people living in the United States. Residents of nonmetropolitan areas made up 25 percent of the total, and the above-mentioned 30 percent residing in central cities accounted for the remainder.

This trend is not restricted to older metropolitan areas with declining urban cores. Even among the fast-growing sunbelt metropolises, the suburbs are the scene of the action. In fact, in the 10 fastest-growing metropolitan areas, as shown in *Table 1*, nine showed greater growth outside their central city areas (i.e., in their suburbs), and the other, (Fort Myers) represents a special case of a new city's incorporation.

In many industrialized Northern or Midwestern cities, the suburbs are resisting the declining trend of their central cities, either by losing population at a much less dramatic rate, or in some cases by gaining residents. This is shown in *Table 2*.

The growth of this suburban population and decline of central cities is also reflected in their overall national growth rates during the seventies. During that decade, the U.S. population as a whole grew by 11 percent. Total metropolitan growth was smaller, at 10 percent, primarily because the total central city population in the country was virtually unchanged (about one-tenth of one percent growth). By contrast, the suburban, or metropolitan non-central city, population grew at the largest rate, 18 percent, while the nonmetropolitan population, after decades of slow increase, swelled by 15 percent.

Reasons for the changes are many and varied, and the entire trend of suburbanization since the end of the Second World War is a familiar one. The building of new roads has increased potential commuting distances for workers whose jobs may remain in the cities, but whose homes are in, or perhaps even beyond, the suburbs.

In addition, many of those jobs are becoming suburbanized as well, as development of shopping malls creates economic centers outside the cities that once were the retail core of their areas. Service industries that can elect to locate virtually anywhere often choose suburban or even rural settings.

The housing requirements of the "baby boom" population spread suburban development in ever-increasing distances. Economic, sociological, political, and demographic factors all come into play. The results are an ongoing alteration in not only where, but how we live, work, and buy, and this alteration should continue for at least the decade to come.

Of course, the key demographic variable that influences consumer behavior is income. People must have money to spend before they can spend it as consumers. 1980 Census data reveal some important trends in income growth around the country. *Table 3* illustrates the per capita income for 1969 and 1979. (Because the censuses were taken in April of 1970 and 1980, annual income for the previous year was measured.) The percentage growth in that 10-year period is also shown. Much of the growth of income must be attributed to the severe inflation the U.S. underwent in the 1970's, but comparisons on a state-by-state basis and with the national average are still useful and valid.

We find in *Table 3* that per capita income (PCI) in the United States grew by 133 percent from 1969 to 1979. If we look at the rates of growth for each state, some interesting patterns emerge.

First, we notice that the fastest-growing states in PCI tend to be those that had a lower average in 1969. Of the fastest-growing third of the states, in fact, only Alaska was above the national average in per capita income in the earlier year.

Second, we find that, despite their comparatively greater growth, most of these states still lag behind the U.S. total. Of the states that grew in per capita income by 148 percent or more (those that thus qualify for the top one-third in growth), only Virginia has joined Alaska on the high side of the U.S. average.

In fact, the fastest-growing state in its per capita income, Mississippi, which increased by 175 percent, is in last place in terms of per capita income level. This is the same position Mississippi held in the 1969 rankings. However, that 175 percent rate of growth has closed the gap between the lowest state and the national average: Mississippi's PCI in 1969 was only 62 percent of the national average, but after a decade of growth, the Magnolia State's income level had reached 73 percent of the nation's.

Other interesting factors turn up in an examination of per capita income. Because the PCI is simply the total income of the area divided by the total number of residents, be they infants, schoolchildren, workers, or retirees, the use of per capita income allows us to augment our understanding of the demographic situation in an area. Areas that have a large number of residents who are not wage-earners will appear less affluent than they might were other measures to be used.

A good example of this is Utah. The stereotype of Utah's population is one of a hard-working, thrifty group of people among whom poverty is uncommon. This impression is verified by many statistical indicators from the 1980 Census. Utah's median household income ($17,713) is higher than the U.S. median ($16,830), and its poverty rate (7.6 percent of families) is below that of the nation (9.6 percent). Yet *Table 3* shows that the per capita income of Utah is well below

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the national level.

All these statistics are correct, but to understand them, a few more are necessary. First, Utah is our youngest state. The median age of Utah's residents is only 24.2 years, while the U.S. median age is 30. Younger people tend to earn less, and many (particularly children) earn nothing at all. Children under the age of 10 make up 14.5 percent of the national population, but a remarkable 22.9 percent of Utah's. Five of 10 families in the country have at least one child under 18, but in Utah, children under 18 are found in six of 10 families. The presence of this large number of children means that Utah's comparatively high per-household income must be spread among more persons, many of whom are youngsters who are not yet adding to that income.

As it happens, Utah is one of only two states (Hawaii is the other) in which the census showed an average of more than three people per household. Consequently, despite a favorable median household income, Utah's per capita income falls below the national average, illustrating among other things that more than one measure of affluence should be used to get a true picture of an area.

This is more than an interesting demographic fact—that low per capita income and young population were certainly an underlying reason for the 1980 RGI'S finding that Utah's Restaurant Activity Index—its propensity for eating out—was 24 percent below the U.S. standard. It is evident that a population with a low per capita income and a high proportion of very young children is not the ideal environment in which to operate a restaurant.

At the same time, those young people will grow up in comparatively healthy economic surroundings, as indicated by the better-than-average household income, and as they grow, they'll become potential customers. This, too, is reflected in Utah's Restaurant Growth Index for 1980, which was 49 percent above average. Check this year's figures to see if these trends continue.

Reflecting the widely recognized migration of people out of the older industrialized Northeastern and Midwestern states are the changes in income rankings at the high end of the spectrum.

Many traditionally wealthy Northern states remained in the top third (per capita income in 1979 of $7,469 or more), but their ranking fell within that group: Connecticut dropped from first to fourth, New Jersey fell from fourth to eighth, New York declined from fifth to 17th, and Illinois slid from ninth to 12th.

Others dropped out of the top third entirely: Massachusetts, Delaware, and Ohio all moved downward into the middle third of States.

Newcomers to the top third were the sunbelt state

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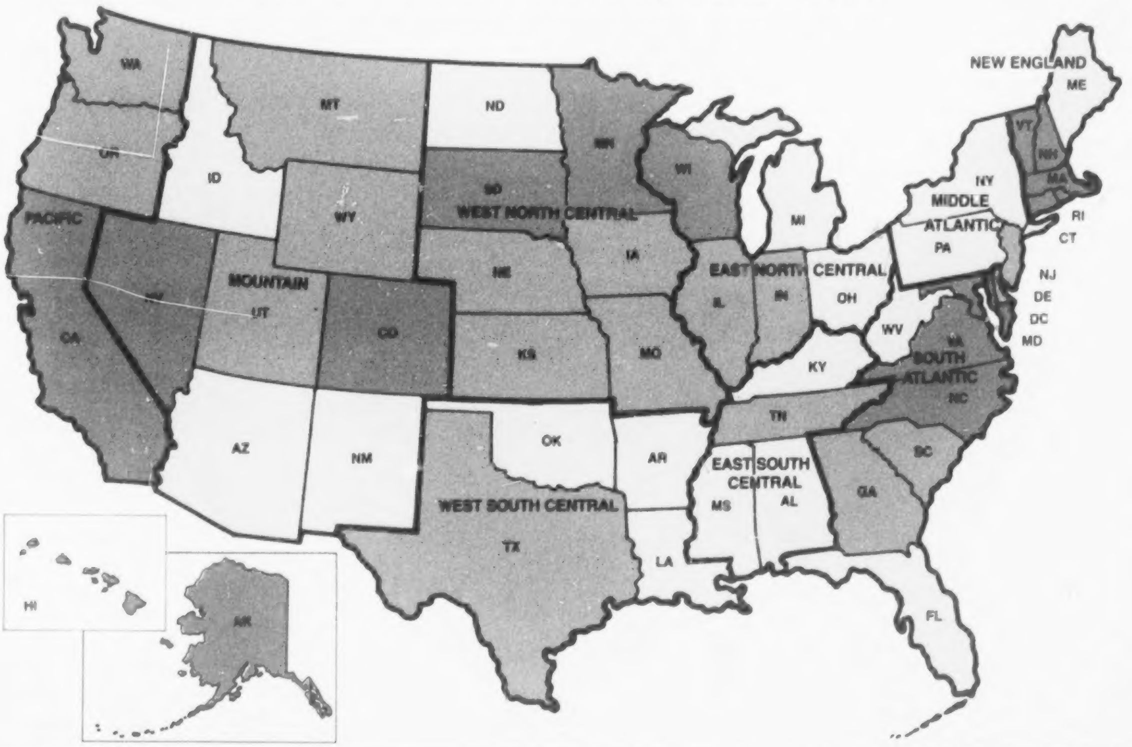
Females in Labor Force by State - 1980*



**Based on an index of the percent of females in the labor force on a state-by-state basis. See Table 3.*
Key: *Red equals top 17 states with females in the labor force.*
Blue equals middle 17 states with females in the labor force.
Yellow equals bottom 17 states with females in the labor force.

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of Florida, the energy belt/Rocky Mountain state of Wyoming, and surprisingly, in light of all these other trends, Minnesota.

It is no surprise that both these trends and the income growth factors outlined earlier show economic vitality increasing in those areas that last year's RGI pointed out as growing in terms of population.

Perhaps, the most striking social change reflected in the demographic statistics from the 1980 Census is the increase in women who hold or are actively seeking jobs. Women's presence in growing numbers in the labor force has altered patterns of work, of income, of childcare, of personal relationships, and of consumer behavior. In the 1980 Census, the statistics show that one of every two women aged 16 and older is now employed or looking actively for work, and recent U.S. Department of Labor studies show that this proportion is still increasing.

If we look back to the post-World War II years, when women were bearing and raising the children that make up the vast "Baby Boom" segment of the population, we find that most women were not in the workforce. The 1950 Census showed only 29.9 percent of women aged 16 and older were members of the labor force. By 1960, women's labor force participation rate had risen to 35.7 percent, and the 1970 Census indicated that working or work-seeking women had increased to 41.4 percent of the total 16 and older. The 1970s brought about continued growth, with economic pressures and inflation coupled with the impact of the women's movement to influence attitudes about the acceptability or even necessity of entering or staying in the job market.

By the 1980 Census, 50 percent of women aged 16 or more were participating in the labor force. The impact on the business world goes beyond the presence of this new and growing group of employees. Advertisers have recognized that many potential customers have a role in addition to, or in place of, the traditional housewife and mother to whom messages used to be directed.

Researchers have sought new developments in product convenience as the time demands on women have taken on the added dimension of employment. Restaurant owners and managers have recognized the presence of businesswomen among their lunch clientele, and have responded to a changing demand for evening meals among families in which mom is no longer home all day to cook dinner.

Of course, the change in women's labor force participation is not felt to the same extent in every state. *Table 3* provides an index of females in the labor force on a state-by-state basis, with the national norm expressed as 100.

In Alaska and Nevada, women are found in the job

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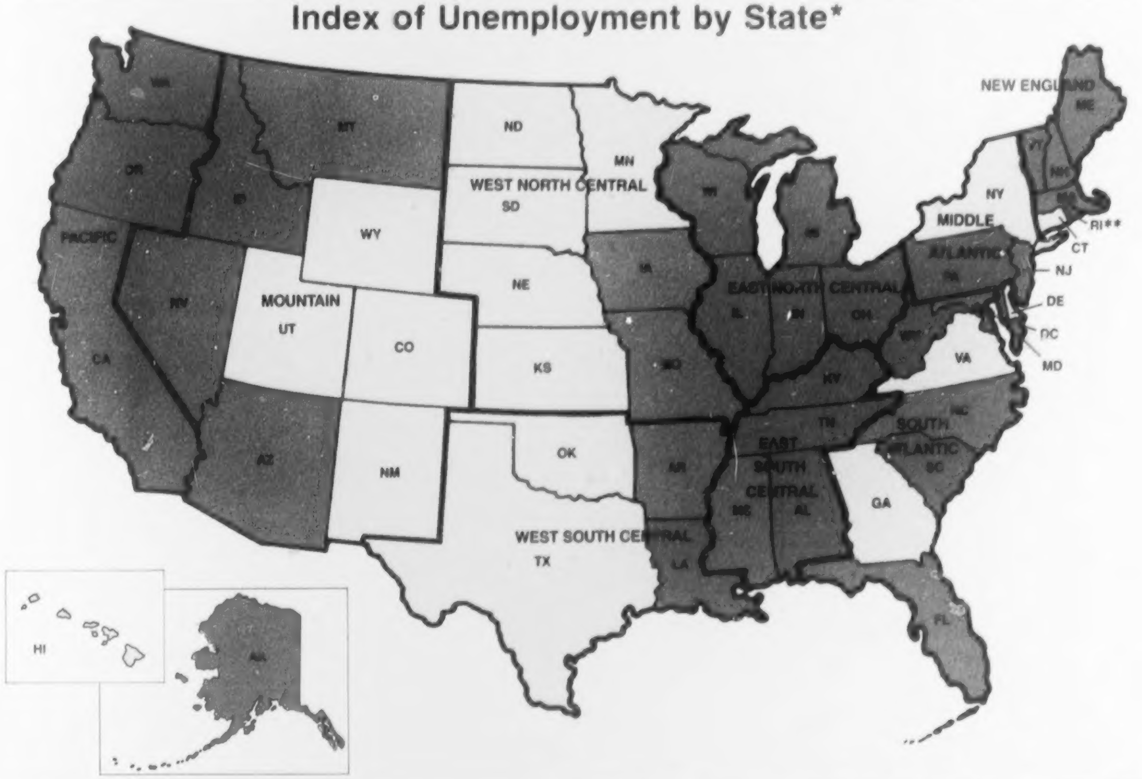
Index of Unemployment by State*



**Based on the April 1982 index of unemployment with the national average of 9.4 percent in unemployment expressed as 100. (See Table 3.)*
***Tied for 17th in the unemployment ranking*

Key: *Red equals top 18 states in unemployment. Blue equals middle 16 states in unemployment. Yellow equals bottom 17 states in unemployment.*

market at a rate 21 percent above the U.S. average, with the District of Columbia, Hawaii, and Colorado also far above average.

In West Virginia, on the other hand, women are 27 percent less likely to be working or seeking employment than average, with women in Kentucky and Louisiana also significantly less likely to be labor force participants.

The condition of the local economy, the types of jobs available, the attitudes of family and friends, and many other factors contribute to the variations; but all indications are that women will continue to join the labor force in increasing numbers during the coming years.

A factor that has historically been recognized as a key measure of economic conditions is unemployment. The influence of local unemployment on that area's business—and specifically restaurants—can be great both in terms of economic vitality and also on the "psychology" of the potential customer, who may be far less willing to part with some of his or her paycheck if the spectre of unemployment hovers overhead.

Table 3 also illustrates the comparative prevalence of unemployment in each state as measured by the 1980 Census. At that time, the nation's unemployment rate was 6.6 percent. Expressing that national average as 100, *Table 3* compares each state to that norm to reveal the states suffering from the most serious unemployment: Michigan, home of the troubled automotive industry, is first in severity, with unemployment 76 percent worse than the national average. Alaska is second, 44 percent worse, followed by Kentucky, West Virginia, Montana, Oregon, and Ohio.

On the brighter side, the farm belt states of Nebraska, Kansas, and Iowa, the energy development states of Texas, Oklahoma, Wyoming, and Colorado, and the sun-drenched states of Florida and Hawaii, all show an unemployment rate at least 20 percent better than the nation's.

Perhaps more unexpected, some other states appear on this list of states with stronger employment patterns in 1980: Virginia checked in with unemployment 29 percent less severe than the U.S. rate, while three New England states, Connecticut, Massachusetts, and New Hampshire, all bettered the national rate by at least 26 percent, perhaps due in part to economic strength in finance and insurance as well as the growing "high tech" industries.

Of course, the unemployment situation has deteriorated somewhat since the 1980 Census was taken. To look at how more recent developments have been felt in the different states, we turn to estimates generated by the U.S. Department of Labor. As of this writing, the most current data are from April of 1982, which gives us a picture of the situation two years after the census, which was taken in April of 1980.

By 1982, the national unemployment rate had increased to 9.4 percent of the labor force, and unemployment rates in every state except North and South Dakota had increased as well. (It should be noted that, in both North and South Dakota, the *number* of unemployed remained virtually unchanged, but the labor force grew slightly, bringing about a lower unemployment rate.)

The growth of unemployment altered the comparative position of many states in relation to the U.S. Louisiana and South Carolina went from slightly better than the nation in 1980 to slightly worse in 1982. A number of states in which unemployment was more severe than the national average in 1980 actually are in a better comparative position in 1982 despite an increase in their unemployment because their increases are less dramatic than that of the nation as a whole. Among this group of states are Delaware, Maine, Missouri, Montana, New Jersey, New Mexico, and New York.

Delaware provides a good example of the contradictory nature of this problem. As *Table 3* shows, the "good news" is that unemployment in Delaware, which was exactly as severe as in the U.S. in 1980, is 19 percent less severe than the national average as of April 1982. The "bad news," however, is that Delaware's unemployment rate has climbed from 6.6 percent to 7.6 percent in those two years, and that nearly 4,500 more of Delaware's citizens are currently out of work.

The comparative improvement shown by the indices in *Table 3* has come about, in other words, only because the country as a whole has gotten worse faster—faint comfort to Delaware's labor force, particularly to those 4,500 newly unemployed. However, looking at the comparative indices does allow us to assess the state-by state severity of unemployment and to add a dimension to our understanding of the problems that continue to interfere with our nation's economic recovery.

These, then, are a few of the pertinent general trends that we have found in the vast array of data collected in the 1980 Census. Continuing growth in the suburbs and beyond, a difference in growth patterns of income, the presence of a majority of adult women in the labor force, and the increasing problems of unemployment are general demographic realities to which those in the foodservice industry must adjust as we continue to operate in a changing consumer environment.

One key tool to aid in that adjustment is the 15th annual Restaurant Growth Index, which provides many of the specifics to help the restaurant industry discover and act upon the opportunities that the 1980s are presenting. Accurate marketing decisions based on accurate marketing information allow the industry to respond to rather than be overwhelmed by the new lifestyles and demographics of this decade.

Our RGI report is designed to help you determine your competitive position in the industry and to assist you in your marketing and growth strategies.

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Table 1 10 Fastest-Growing SMSA's, 1970-1980

(in population)

Name	% Growth of Overall SMSA	% Growth of SMSA's Central City	% Growth of SMSA's Suburban Area
Fort Myers-Coral Gables, Fla	95%	151%	75%
Ocala, Fla	77	65	84
Las Vegas, Nev	69	31	102
Sarasota, Fla	68	22	91
Ft. Collins, Col.	66	49	82
West Palm Beach-Boca Raton, Fla	64	31	75
Fort Lauderdale-Hollywood, Fla	64	9	99
Olympia, Wash	62	18	81
Bryan-College St., Tex	61	59	82
Reno, Nev	60	38	93

Definitions

Population:

Updated from the 1980 U.S. Census of Population and Housing, it is an estimate of the number of people living in an area at the end of the year. It includes people living in colleges and hospitals, and armed forces permanently assigned to the area, but excludes tourists and transients. Large changes in group-quarters populations are not projected in these forecasts.

Demographic statistics have been estimated employing a population component procedure. That is, independent county estimates of births, mortality, and migration are generated. These population components are aggregrated and either added or subtracted from the appropriate benchmark.

Fertility rates, for example, have been projected at their current rate of change. We assume that the pattern of births will continue its slow but steady rate. Similarly, we have assumed that no major medical advancement will be found over the next few years and that the mortality rates that are in effect today will continue unmodified.

Percent of U.S. Pop.:

A market's share of the total U.S. population.

Household:

A household consists of all the people occupying a single housing unit under 1980 census rules—such as a house, an apartment, a group of rooms, or a single room. The members of a household need not be related, and a single person living alone in a housing unit is also counted as a household.

All persons who are not members of households are regarded as living in group quarters: institutions, college dormitories, military barracks, etc. Caution: Although a county's population total will include all the people in the area, the household total will not do so because it excludes those living in group quarters.

Average Household Size:

Total population divided by the number of households. Depending upon whether it is above or below the U.S. average, it is used as a rough indicator of the relative importance of family-type units or single-person units in a local area.

However, the figure can be artificially high in those relatively few counties where there is a disproportionate share of college, military, or other types of institutional population. The people living in such group quarters are part of the population total, but their dwellings are not part of the household total.

Eating and Drinking Places:

Includes establishments selling prepared foods and drinks for consumption on or near the premises or for takeout, as well as lunch counters and refreshment stands selling prepared foods and drinks for immediate consumption. Also included are caterers and in-plant food contractors, as well as leased eating and/or drinking concessions in theaters, hotels, amusement parks, etc. Restaurants and lunch counters operated by department stores are classified in General Merchandise Group; those operated by hotels are classified in the Hotels Group.

Eating Places:

Includes retail sales of restaurants and lunch rooms, social caterers, cafeterias, fast food sales, contract feeding and ice cream and frozen custard stands. Excludes drinking place sales.

Restaurants:

Establishments engaged in serving prepared food and beverages selected by the patron from a full menu. Waiter or waitress service is provided and the establishment has seating facilities for at least 15 patrons. These establishments often serve alcoholic beverages. Establishments in which sales of alcoholic beverages for consumption on the premises exceed receipts from sales of prepared foods and nonalcoholic beverages are classified as "Drinking places."

Fast Food:

Establishments primarily selling limited lines of refreshments and prepared food items. Included in this group are establishments which prepare refreshment items such as pizza, barbecued chicken, and hamburgers for consumption either on or near the premises or for "take home" consumption.

Market Share:

Represents the percent of eating places from fast food units or from restaurants. It is indicative of customer preference for these types of establishments in that area.

Restaurant Activity Index (RAI):

The percent of U.S. eating place sales divided by the

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Table 2 Population Change in the Industrial Belt, 1970-1980

Name	SMSA Change (%)	Central City Change	Suburban Change
Boston, Mass	-5	-12	-3
Buffalo, NY	-8	-23	-0.2
Chicago, Ill	2	-11	14
Cincinnati, Ohio	1	-15	9
Cleveland, Ohio	-8	-24	1
Detroit, Mich	-2	-21	8
Milwaukee, Wis	-1	-11	11
Minneapolis, St. Paul, Minn	8	-14	21
New York, NY	-9	-10	-1
Pittsburgh, Pa	-6	-19	-2
Philadelphia, Pa	-2	-13	5
St. Louis, Mo	-2	-27	6
Washington, DC	5	-16	13

percent of U.S. food store sales, expressed as an index. An index greater than 100 indicates more than average propensity to eat out rather than at home.

Restaurant Growth Index (RGI):

The weighted percent of U.S. Daytime and Nighttime pop. (DNP), divided by the percent U.S. eating place sales expressed as an index.

The underlying theory behind the RGI is that each market has a certain propensity to eating out. If the demand is met by the supply, an equilibrium exists and the index is 100. If demand exceeds supply—that is, the potential is not being met—the index will exceed 100. And, if the supply exceeds demand, you'll find that the index will fall below 100. The degree to which demand and supply differ is measured in index points.

An index of 110 indicates that one could expect a 10 percent growth in that market, once the appropriate facilities are brought into the supply stream.

However, it is important to understand that RGI is designed as an initial guide—and not the final test—in determining the growth potential of a particular market. Other indices of a market area's potential include: disposable income, number and size of households, age distribution patterns, and ethnic composition—all of which the operator should weigh against his restaurant concept in terms of service level, menu selection and pricing strategy. *All* the preceding factors must be reviewed to determine a market's growth potential.

Daytime and Nighttime Population (DNP):

This measure includes these separate components—The Daytime population which consists of both (1) the commuting workforce, and (2) transient population, and the Nighttime population which represents (3) the residents in the market.

Television Market:

The TV markets are the American Research Bureau's Areas of Dominant Influence (ADIs). ARB studies each county for its measurable viewing patterns. The hours of viewing accorded each TV station whose signal reached the county are totalled; then each station's percentage share of total viewing hours is calculated. The market of origin of the TV stations with the largest share of viewing hours becomes the ADI name for that market, and all counties whose largest viewing share is given to stations of that same market of origin are grouped within the ADI. (For its purposes, ARB splits certain counties, treating each portion as if it were a separate county.) Each county, (or portion) is allocated exclusively to a single ADI; thus overlap is eliminated. All of the area of the United States is covered except for Hawaii and part of Alaska.

Standard Metropolitan Statistical Area (SMSA):

Revised criteria by the U.S. Office of Federal Statistical Policy and Standards provide that an SMSA must include either (1) one city with a population of at least 50,000; or (2) one city with a population of at least 25,000, which, when combined with contiguous places having a density of 1,000 or more people per square mile, will have a population of at least 50,000 (provided that the city and contiguous places are in a county or counties with a population of at least 75,000).

A contiguous county is included in an SMSA if at least 75 percent of the resident labor force is nonagricultural, and at least 30 percent of the resident employed workers work in the area. A contiguous county that does not satisfy those requirements will be included if at least 75 percent of the resident labor force is nonagricultural and if it meets at least two criteria of metropolitan character and one criterion of metropolitan integration.

Minimum criteria of character: (1) 25 percent of population is urban; (2) population gain of 15 percent between two most recent decennial censuses; and (3) density of 50 persons per square mile. Minimum criteria of integration: (1) 15 percent of resident employed workers work in the area; (2) 15 percent of the county's employed workers live in the area; and (3) sum of workers commuting to and from the central county or counties is equal to 20 percent of the employed workers living in the county.

SMSAs are defined by the government along county lines except in New England, where towns and cities are the units of definition. The federal government's alternative, and unofficial, New England County Metropolitan Areas, comprised of whole counties rather than cities and towns, are used for those states.

Note: In some instances, data for the individual SMSAs and non-metro portion of the state will not add up to the state total due to the fact that some SMSAs overlap state lines. For instance, the District of Columbia SMSA includes portions of Northern Virginia and Southern Maryland.

RGI Regional Summary

REGION State	12/31/81			1981							
	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food		Restaurant		RAI	RGI
						Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)		
Connecticut	3,115.1	1.3484	2.78	1,334,152	1,203,753	405,241	34	593,627	49	106	104
Maine	1,148.1	0.4970	2.78	420,600	399,112	155,473	39	213,049	53	89	93
Massachusetts	5,756.7	2.4919	2.76	2,856,499	2,553,020	780,925	31	1,358,447	53	113	94
New Hampshire	954.6	0.4132	2.78	426,326	408,814	142,212	35	232,483	57	96	85
Rhode Island	951.2	0.4118	2.74	352,313	307,893	96,230	31	175,342	57	100	112
Vermont	522.9	0.2263	2.79	196,329	179,574	48,870	27	105,712	59	100	112
NEW ENGLAND	**12,448.6**	**5.3886**	**2.77**	**5,586,219**	**5,052,166**	**1,628,951**	**32**	**2,678,660**	**53**	**106**	**97**
New Jersey	7,397.2	3.2021	2.84	3,123,457	2,497,005	843,340	34	1,332,944	53	83	113
New York	17,456.6	7.5566	2.72	7,240,413	6,375,782	1,942,682	30	3,427,390	54	96	115
Pennsylvania	11,876.2	5.1410	2.76	4,239,430	3,491,353	1,317,197	38	1,724,291	49	85	124
MIDDLE ATLANTIC	**36,730.0**	**15.8997**	**2.75**	**14,603,300**	**12,364,140**	**4,103,219**	**33**	**6,484,625**	**52**	**90**	**117**
Illinois	11,493.0	4.9751	2.78	5,117,484	4,409,438	1,733,332	39	2,188,089	50	116	103
Indiana	5,539.0	2.3977	2.79	2,153,698	1,879,514	873,092	46	806,219	43	106	97
Michigan	9,322.2	4.0355	2.83	4,070,380	3,410,323	1,301,095	38	1,741,356	51	106	93
Ohio	10,827.8	4.6872	2.76	4,421,800	3,835,216	1,667,024	43	1,782,965	46	96	100
Wisconsin	4,767.8	2.0639	2.78	2,204,492	1,606,071	543,818	34	952,348	59	102	104
EAST NORTH CENTRAL	**41,949.6**	**18.1594**	**2.79**	**17,967,854**	**15,140,562**	**6,118,361**	**40**	**7,470,977**	**49**	**106**	**99**
Iowa	2,938.2	1.2719	2.71	1,292,799	1,032,486	431,428	42	524,053	51	98	98
Kansas	2,392.5	1.0357	2.66	1,021,307	940,982	472,320	50	384,549	41	117	88
Minnesota	4,139.3	1.7918	2.75	1,824,419	1,508,995	523,569	35	881,351	58	116	105
Missouri	4,976.1	2.1541	2.70	2,065,101	1,873,412	827,344	44	823,530	44	106	97
Nebraska	1,591.3	0.6888	2.69	748,812	582,478	228,295	39	311,373	53	113	98
North Dakota	663.1	0.2871	2.79	324,074	232,169	77,241	33	139,215	60	113	98
South Dakota	699.0	0.3026	2.78	327,442	255,962	79,099	31	160,295	63	111	89
WEST NORTH CENTRAL	**17,399.5**	**7.5320**	**2.71**	**7,603,954**	**6,426,484**	**2,639,296**	**41**	**3,224,366**	**50**	**109**	**97**
Delaware	603.2	0.2611	2.80	222,898	204,024	85,216	42	96,633	47	86	106
District Of Columbia	613.2	0.2655	2.48	493,297	461,128	142,290	31	220,587	48	289	116
Florida	10,336.2	4.4744	2.57	5,012,044	4,595,097	1,678,840	37	2,444,209	53	103	89
Georgia	5,628.0	2.4362	2.86	1,965,823	1,858,502	973,858	52	676,422	36	96	97
Maryland	4,270.6	1.8487	2.82	1,813,334	1,602,256	732,081	46	647,572	40	91	97
North Carolina	6,011.4	2.6022	2.81	1,763,998	1,697,168	845,887	50	666,254	39	87	104
South Carolina	3,207.1	1.3883	2.96	962,872	916,018	462,973	51	356,650	39	83	103
Virginia	5,467.0	2.3666	2.81	2,000,866	1,946,986	861,371	44	819,177	42	92	98
West Virginia	1,990.8	0.8618	2.79	519,954	470,822	235,812	50	183,492	39	63	120
SOUTH ATLANTIC	**38,127.5**	**16.5048**	**2.75**	**14,755,086**	**13,752,001**	**6,018,328**	**44**	**6,110,996**	**44**	**95**	**97**
Alabama	3,968.3	1.7178	2.84	1,060,513	1,012,869	516,979	51	364,507	36	79	109
Kentucky	3,743.1	1.6203	2.84	1,136,375	1,046,864	542,753	52	407,283	39	74	103
Mississippi	2,570.3	1.1126	2.99	563,553	534,411	287,696	54	180,694	34	61	120
Tennessee	4,705.6	2.0369	2.78	1,402,306	1,322,783	616,432	47	571,999	43	83	114
EAST SOUTH ATLANTIC	**14,987.3**	**6.4876**	**2.84**	**4,162,747**	**3,916,927**	**1,963,860**	**50**	**1,524,483**	**39**	**76**	**111**
Arkansas	2,348.7	1.0167	2.76	592,245	564,176	290,579	52	220,738	39	70	114
Louisiana	4,316.2	1.8684	2.91	1,307,360	1,135,215	496,731	44	448,713	40	72	123
Oklahoma	3,114.4	1.3481	2.66	1,107,326	1,042,432	510,895	49	396,269	38	84	96
Texas	14,798.1	6.4059	2.83	6,412,434	5,854,039	2,724,151	47	2,336,681	40	98	87
WEST SOUTH CENTRAL	**24,577.4**	**10.6391**	**2.82**	**9,419,365**	**8,595,862**	**4,022,356**	**47**	**3,402,401**	**40**	**89**	**95**
Arizona	2,905.0	1.2575	2.77	979,637	879,143	314,726	36	446,149	51	83	116
Colorado o	3,019.3	1.3070	2.66	1,313,953	1,174,508	388,958	33	648,332	55	99	104
Idaho	990.2	0.4287	2.86	320,759	271,026	109,965	41	146,632	54	74	114
Montana	806.2	0.3490	2.71	317,089	224,433	79,873	36	135,468	60	74	131
Nevada	853.0	0.3693	2.57	418,185	348,123	127,093	37	200,237	58	102	427
New Mexico	1,360.0	0.5888	2.87	487,127	425,417	181,049	43	200,008	47	88	104
Utah	1,544.1	0.6684	3.22	365,981	342,477	150,259	44	175,945	51	78	141
Wyoming	498.8	0.2159	2.79	214,846	166,607	64,324	39	96,687	58	79	130
MOUNTAIN	**11,976.6**	**5.1846**	**2.79**	**4,417,577**	**3,831,734**	**1,416,247**	**37**	**2,049,458**	**53**	**87**	**143**
Alaska	424.0	0.1836	2.96	460,185	351,007	97,435	28	130,310	37	151	38
California	24,395.1	10.5603	2.70	12,833,085	11,717,488	4,271,201	36	6,634,167	57	121	83
Hawaii	998.3	0.4321	3.21	732,641	658,212	236,654	36	362,898	55	195	96
Oregon	2,723.1	1.1788	2.60	1,533,431	1,316,836	481,513	37	754,015	57	139	75
Washington	4,272.3	1.8494	2.63	2,341,982	2,054,908	671,747	33	1,234,445	60	131	77
PACIFIC	**32,812.8**	**14.2042**	**2.70**	**17,901,324**	**16,098,451**	**5,758,550**	**36**	**9,115,835**	**57**	**126**	**81**
United States Total	**231,009.5**	**100.0000**	**2.76**	**96,417,426**	**85,178,327**	**33,669,168**	**40**	**42,061,801**	**49**	**100**	**100**

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Sales by Metropolitan Area

This segment of the Restaurant Growth Index shows 305 Standard Metropolitan Areas (SMSAs) as defined by the U.S. Office of Federal Statistical Policy and Standards.

	12/31/81			1981							
						Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
ALABAMA											
Anniston	121.7	0.0527	2.95	42,178	40,885	20,997	51	14,481	35	88	69
Birmingham	861.2	0.3729	2.73	307,543	291,494	139,601	48	111,860	38	94	105
Florence	137.9	0.0597	2.79	34,876	34,876	17,912	51	12,354	35	67	100
Gadsden	104.4	0.0452	2.75	32,472	30,920	15,883	51	10,950	35	95	87
Huntsville	312.4	0.1352	2.84	105,744	99,942	51,324	51	36,696	37	98	96
Mobile	454.6	0.1969	2.88	140,661	130,122	65,337	50	46,117	35	90	110
Montgomery	280.9	0.1217	2.88	102,656	98,270	48,198	49	31,975	33	123	97
Tuscaloosa	141.7	0.0614	2.87	46,336	44,595	22,903	51	15,795	35	108	85
Non-Metro Portion of State	1,505.8	0.6515	2.89	238,711	232,895	130,267	56	81,135	35	51	141
State Total	**3,968.3**	**1.7178**	**2.84**	**1,060,513**	**1,012,869**	**516,979**	**51**	**364,507**	**36**	**79**	**109**
ALASKA											
Anchorage	184.6	0.0799	2.78	202,221	155,250	59,460	38	69,978	45	138	41
Non-Metro Portion of State	239.4	0.1037	3.11	257,964	195,757	37,975	19	60,332	31	163	36
State Total	**424.0**	**0.1836**	**2.96**	**460,185**	**351,007**	**97,435**	**28**	**130,310**	**37**	**151**	**38**
ARIZONA											
Phoenix	1,618.2	0.7005	2.70	624,994	568,205	202,061	36	278,156	49	94	111
Tucson	568.1	0.2459	2.65	173,562	154,706	61,768	40	75,246	49	74	129
Non-Metro Portion of State	718.7	0.3111	3.06	181,081	156,232	50,897	33	92,747	59	66	124
State Total	**2,905.0**	**1.2575**	**2.77**	**979,637**	**879,143**	**314,726**	**36**	**446,149**	**51**	**83**	**116**
ARKANSAS											
Fayetteville - Springdale	188.1	0.0815	2.72	64,650	62,393	33,241	53	23,683	38	97	82
Fort Smith	210.9	0.0913	2.74	70,343	67,105	35,240	53	25,488	38	82	84
Little Rock - North Little Rock	406.1	0.1758	2.72	142,259	136,427	70,884	52	52,629	39	100	116
Pine Bluff	91.6	0.0397	2.91	22,976	21,662	11,541	53	8,223	38	75	118
Texarkana	129.7	0.0562	2.75	40,804	38,651	18,800	49	15,097	39	68	98
Non-Metro Portion of State	1,423.5	0.6161	2.76	283,165	269,335	135,347	50	108,110	40	57	125
State Total	**2,348.7**	**1.0167**	**2.76**	**592,245**	**564,176**	**290,579**	**52**	**220,738**	**39**	**70**	**114**
CALIFORNIA											
Anaheim - Santa Ana - Garden Grove	2,025.5	0.8768	2.75	1,240,475	1,169,975	429,437	37	679,668	58	138	73
Bakersfield	418.6	0.1812	2.83	191,351	174,226	67,978	39	95,979	55	91	71
Chico	151.9	0.0657	2.47	64,168	56,177	20,547	37	33,766	60	88	82
Fresno	535.5	0.2318	2.82	218,312	195,007	86,078	44	101,737	52	90	90
Los Angeles - Long Beach	7,558.1	3.2717	2.72	3,979,450	3,685,572	1,295,973	35	2,080,830	56	124	87
Modesto	280.2	0.1213	2.75	112,637	101,980	47,395	46	47,937	47	93	85

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RGI Metro Report

	12/31/81			1981							
						Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
CALIFORNIA *continued*											
Oxnard - Simi Valley - Ventura	558.9	0.2419	2.99	225,526	208,500	88,700	43	113,675	55	91	79
Redding	123.3	0.0534	2.63	47,063	39,020	14,270	37	23,440	60	67	106
Riverside - San Bernardino - Ontario	1,644.9	0.7120	2.78	699,707	637,482	279,745	44	320,735	50	114	81
Sacramento	1,055.9	0.4571	2.56	581,406	525,184	201,058	38	286,622	55	116	72
Salinas - Seaside - Monterey	301.4	0.1305	2.99	163,473	150,644	42,171	28	99,797	66	144	81
San Diego	1,955.9	0.8467	2.72	987,893	891,410	360,865	40	490,823	55	131	85
San Francisco - Oakland	3,280.6	1.4199	2.49	2,119,721	1,894,382	605,098	32	1,116,487	59	136	89
San Jose	1,340.6	0.5803	2.75	742,955	681,546	266,917	39	359,274	53	125	84
Santa Barbara - Santa Maria - Lompoc	305.5	0.1323	2.67	214,922	201,118	58,543	29	133,639	66	172	64
Santa Cruz	200.6	0.0868	2.60	108,353	98,942	36,735	37	57,191	58	113	65
Santa Rosa	318.3	0.1378	2.56	154,315	135,642	46,276	34	79,258	58	96	77
Stockton	359.7	0.1558	2.74	154,305	135,563	54,242	40	72,750	54	97	82
Vallejo - Fairfield - Napa	351.6	0.1521	2.79	156,912	140,359	51,576	37	83,177	59	109	73
Visalia - Tulare - Porterville	257.9	0.1117	3.01	68,544	60,605	22,170	37	36,407	60	61	104
Yuba City	105.2	0.0456	2.75	37,117	31,170	11,405	37	18,725	60	76	90
Non-Metro Portion of State	1,265.0	0.5479	2.72	564,480	502,984	184,022	37	302,250	60	95	80
State Total	**24,395.1**	**10.5603**	**2.70**	**12,833,085**	**11,717,488**	**4,271,201**	**36**	**6,634,167**	**57**	**121**	**83**
COLORADO											
Colorado Springs	331.5	0.1435	2.80	106,049	96,957	46,498	48	44,139	46	94	130
Denver - Boulder	1,694.0	0.7331	2.59	805,997	720,401	235,010	33	386,041	54	102	103
Fort Collins	160.5	0.0695	2.70	63,314	59,594	20,095	34	32,652	55	107	86
Greeley	129.9	0.0562	2.82	34,022	29,261	9,868	34	16,030	55	85	120
Pueblo	127.2	0.0550	2.72	44,117	36,539	12,321	34	20,020	55	73	118
Non-Metro Portion of State	576.2	0.2497	2.73	260,454	231,756	65,166	28	149,450	64	96	95
State Total	**3,019.3**	**1.3070**	**2.66**	**1,313,953**	**1,174,508**	**388,958**	**33**	**648,332**	**55**	**99**	**104**
CONNECTICUT											
Bridgeport - Stamford - Norwalk - Danbury	808.9	0.3501	2.82	343,707	311,131	86,106	28	175,198	56	101	105
Hartford - New Britain - Bristol	1,051.5	0.4553	2.76	493,436	449,241	158,854	35	194,522	43	116	105
New Haven - West Haven - Waterbury - Meriden	762.6	0.3301	2.74	326,656	297,264	110,234	37	146,439	49	109	99
New London - Norwich	239.6	0.1037	2.85	89,754	75,886	26,471	35	40,859	54	97	107
Non-Metro Portion of State	252.5	0.1092	2.78	80,599	70,231	23,576	34	36,609	52	83	111
State Total	**3,115.1**	**1.3484**	**2.78**	**1,334,152**	**1,203,753**	**405,241**	**34**	**593,627**	**49**	**106**	**104**
DELAWARE											
Wilmington	527.8	0.2285	2.83	186,022	167,024	70,284	42	80,514	48	92	115
Non-Metro Portion of State	202.7	0.0877	2.82	79,336	72,869	27,229	37	37,905	52	79	77
State Total	**603.2**	**0.2611**	**2.80**	**222,898**	**204,024**	**85,216**	**42**	**96,633**	**47**	**86**	**106**
DISTRICT OF COLUMBIA											
Washington	3,083.3	1.3348	2.69	1,639,041	1,566,515	593,916	38	705,991	45	126	102
Non-Metro Portion of State	0.0	0.0000	0.00	0	0	0	0	0	0	0	0
State Total	**613.2**	**0.2655**	**2.48**	**493,297**	**461,128**	**142,290**	**31**	**220,587**	**48**	**289**	**116**
FLORIDA											
Bradenton	157.7	0.0683	2.38	82,942	75,612	27,834	37	40,001	53	103	68
Daytona Beach	274.2	0.1187	2.41	164,417	148,226	52,430	35	79,457	54	140	84

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RGI Metro Report

STATE Metro Name	12/31/81 Population (Thous.)	% Of U.S.	Average Household Size	1981 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Market Share (%)	Restaurant Sales ($000)	Market Share (%)	RAI	RGI
FLORIDA *continued*											
Fort Lauderdale - Hollywood	1,082.3	0.4685	2.39	711,103	654,515	193,266	30	407,953	62	132	72
Fort Myers - Cape Coral	222.9	0.0965	2.44	107,979	100,611	37,038	37	53,228	53	87	86
Fort Walton Beach	113.6	0.0492	2.84	54,744	51,858	21,434	41	27,997	54	130	76
Gainesville	159.8	0.0692	2.69	86,951	81,532	30,013	37	43,133	53	128	61
Jacksonville	759.0	0.3285	2.73	302,193	281,851	143,462	51	112,137	40	96	102
Lakeland - Winter Haven	337.3	0.1460	2.75	133,195	124,776	57,101	46	53,560	43	88	83
Melbourne - Titusville - Cocoa	282.3	0.1222	2.58	140,589	126,770	51,665	41	63,805	50	116	79
Miami	1,751.2	0.7581	2.73	845,658	781,906	239,832	31	430,788	55	110	107
Ocala	131.8	0.0570	2.63	52,790	48,959	20,201	41	26,433	54	83	76
Orlando	747.0	0.3234	2.71	397,261	374,174	161,581	43	175,222	47	110	105
Panama City	101.6	0.0439	2.73	65,389	59,284	21,825	37	31,362	53	166	69
Pensacola	300.3	0.1301	2.83	114,269	97,805	49,533	51	36,302	37	88	88
Sarasota	216.3	0.0936	2.25	157,045	147,030	40,893	28	88,989	61	138	60
Tallahassee	168.9	0.0732	2.69	81,333	76,245	28,069	37	40,338	53	111	76
Tampa - St. Petersburg	1,653.5	0.7158	2.42	790,931	718,671	276,223	38	354,625	49	92	87
West Palm Beach - Boca Raton	619.5	0.2681	2.40	333,832	297,198	82,665	28	190,728	64	100	90
Non-Metro Portion of State	1,257.0	0.5441	2.61	389,423	348,074	143,775	41	188,151	54	67	104
State Total	**10,336.2**	**4.4744**	**2.57**	**5,012,044**	**4,595,097**	**1,678,840**	**37**	**2,444,209**	**53**	**103**	**89**
GEORGIA											
Albany	115.5	0.0499	2.98	33,437	32,176	16,687	52	11,941	37	98	110
Athens	134.2	0.0582	2.80	52,050	49,611	28,830	58	16,958	34	118	72
Atlanta	2,109.6	0.9132	2.75	1,017,760	963,454	478,504	50	354,628	37	128	94
Augusta	338.4	0.1465	2.94	113,183	104,087	50,363	48	45,214	43	94	89
Columbus	239.4	0.1036	2.99	81,137	74,950	38,976	52	27,488	37	109	88
Macon	258.8	0.1121	2.88	91,804	86,590	45,119	52	31,919	37	95	94
Savannah	235.6	0.1019	2.81	99,983	90,472	47,114	52	33,340	37	112	89
Non-Metro Portion of State	2,243.9	0.9711	2.93	491,700	471,355	274,323	58	160,848	34	61	111
State Total	**5,628.0**	**2.4362**	**2.86**	**1,965,823**	**1,858,502**	**973,858**	**52**	**676,422**	**36**	**96**	**97**
HAWAII											
Honolulu	784.2	0.3395	3.24	600,414	532,304	200,733	38	280,295	53	223	86
Non-Metro Portion of State	214.1	0.0926	3.11	132,227	125,908	35,921	29	82,603	66	126	140
State Total	**998.3**	**0.4321**	**3.21**	**732,641**	**658,212**	**236,654**	**36**	**362,898**	**55**	**195**	**96**
IDAHO											
Boise	185.0	0.0801	2.68	100,559	91,370	36,876	40	48,904	54	112	77
Non-Metro Portion of State	805.2	0.3486	2.91	220,200	179,656	73,089	41	97,728	54	63	132
State Total	**990.2**	**0.4287**	**2.86**	**320,759**	**271,026**	**109,965**	**41**	**146,632**	**54**	**74**	**114**
ILLINOIS											
Bloomington - Normal	121.9	0.0528	2.80	58,870	51,161	20,333	40	25,126	49	127	104
Champaign - Urbana - Rantoul	168.9	0.0731	2.80	97,466	85,446	33,961	40	41,962	49	155	69
Chicago	7,130.7	3.0866	2.81	3,404,999	3,017,486	1,110,025	37	1,539,772	51	129	104
Davenport - Rock Island - Moline	388.7	0.1682	2.73	202,821	164,021	71,073	43	77,366	47	122	88
Decatur	132.4	0.0573	2.67	56,087	44,388	17,643	40	21,799	49	87	114
Kankakee	104.6	0.0453	2.88	46,776	40,472	16,085	40	19,876	49	129	86
Peoria	370.8	0.1606	2.75	169,106	140,981	65,709	47	63,409	45	106	102
Rockford	280.8	0.1215	2.76	124,418	108,051	38,381	36	60,220	56	112	97
Springfield	191.3	0.0829	2.54	87,731	73,577	29,253	40	36,147	49	99	119
Non-Metro Portion of State	2,202.1	0.9533	2.70	744,998	594,396	274,384	46	270,950	46	85	110
State Total	**11,493.0**	**4.9751**	**2.78**	**5,117,484**	**4,409,438**	**1,733,332**	**39**	**2,188,089**	**50**	**116**	**103**

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RGI Metro Report

	12/31/81			1981							
						Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
INDIANA											
Anderson	139.1	0.0602	2.73	54,994	46,932	22,391	48	19,596	42	105	91
Bloomington	100.7	0.0436	2.82	39,470	35,662	17,013	48	14,889	42	124	86
Elkhart	139.2	0.0602	2.80	66,798	57,474	25,867	45	25,619	45	110	84
Evansville	314.6	0.1362	2.66	137,251	115,285	56,261	49	45,754	40	120	101
Fort Wayne	386.8	0.1674	2.79	196,526	173,564	67,277	39	94,217	54	142	83
Gary - Hammond - East Chicago	644.5	0.2790	2.94	278,555	242,293	111,939	46	110,832	46	102	85
Indianapolis	1,175.6	0.5089	2.73	499,441	457,451	230,065	50	165,360	36	113	101
Kokomo	104.0	0.0449	2.73	45,172	39,440	18,816	48	16,470	42	113	82
Lafayette - West Lafayette	123.0	0.0533	2.91	57,438	51,963	24,790	48	21,699	42	143	82
Muncie	127.9	0.0554	2.82	52,064	45,633	21,766	48	19,053	42	113	87
South Bend	280.6	0.1214	2.75	134,334	116,061	47,374	41	55,895	48	127	94
Terre Haute	177.0	0.0767	2.70	65,971	54,371	25,938	48	22,705	42	108	96
Non-Metro Portion of State	1,679.5	0.7272	2.82	470,651	397,736	179,048	45	177,006	45	80	114
State Total	**5,539.0**	**2.3977**	**2.79**	**2,153,698**	**1,879,514**	**873,092**	**46**	**806,219**	**43**	**106**	**97**
IOWA											
Cedar Rapids	171.1	0.0741	2.68	89,750	72,820	29,998	41	36,449	50	115	96
Davenport - Rock Island - Moline	388.7	0.1682	2.73	202,821	164,021	71,073	43	77,366	47	122	88
Des Moines	343.2	0.1486	2.62	193,015	164,460	69,550	42	72,946	44	105	105
Dubuque	94.5	0.0409	3.04	48,358	38,296	15,774	41	19,170	50	115	96
Iowa City	83.5	0.0361	2.63	50,971	41,690	17,347	42	22,186	53	131	71
Sioux City	118.0	0.0511	2.72	58,542	45,847	18,823	41	23,081	50	92	102
Waterloo - Cedar Falls	139.2	0.0603	2.80	68,051	53,627	22,093	41	26,843	50	104	93
Non-Metro Portion of State	1,755.6	0.7599	2.71	649,329	506,407	210,831	42	269,663	53	87	103
State Total	**2,938.2**	**1.2719**	**2.71**	**1,292,799**	**1,032,486**	**431,428**	**42**	**524,053**	**51**	**98**	**98**
KANSAS											
Lawrence	69.3	0.0300	2.77	28,693	24,984	12,707	51	10,047	40	125	78
Topeka	186.9	0.0809	2.61	79,812	72,970	37,116	51	29,342	40	110	104
Wichita	416.9	0.1804	2.61	253,697	236,862	122,492	52	88,034	37	162	73
Non-Metro Portion of State	1,269.7	0.5497	2.66	428,150	385,337	183,551	48	176,692	46	93	101
State Total	**2,392.5**	**1.0357**	**2.66**	**1,021,307**	**940,982**	**472,320**	**50**	**384,549**	**41**	**117**	**88**
KENTUCKY											
Clarksville - Hopkinsville	155.1	0.0671	3.13	44,498	40,913	19,976	49	16,947	41	97	86
Huntington - Ashland	316.1	0.1368	2.76	87,836	78,683	46,028	58	25,329	32	67	117
Lexington-Fayette	326.4	0.1412	2.72	148,133	139,501	73,768	53	49,763	36	101	90
Louisville	912.1	0.3948	2.73	438,754	390,829	202,126	52	143,844	37	108	91
Owensboro	87.2	0.0378	2.77	34,281	30,161	15,784	52	11,587	38	88	93
Non-Metro Portion of State	2,093.4	0.9062	2.90	412,934	394,515	212,420	54	157,740	40	53	121
State Total	**3,743.1**	**1.6203**	**2.84**	**1,136,375**	**1,046,864**	**542,753**	**52**	**407,283**	**39**	**74**	**103**
LOUISIANA											
Alexandria	155.7	0.0675	2.94	31,030	28,546	12,805	45	11,139	39	62	154
Baton Rouge	516.2	0.2234	2.94	150,571	131,958	68,632	52	52,546	40	69	131
Lafayette	157.1	0.0680	2.87	67,177	58,853	26,386	45	22,942	39	90	100
Lake Charles	171.6	0.0743	2.89	60,263	54,173	24,288	45	21,117	39	65	102
Monroe	143.4	0.0621	2.88	41,054	37,099	16,630	45	14,462	39	76	124
New Orleans	1,214.0	0.5254	2.77	519,227	445,642	181,355	41	201,084	45	89	123
Shreveport	383.9	0.1661	2.77	120,931	110,373	52,953	48	40,162	36	92	115
Non-Metro Portion of State	1,574.3	0.6816	3.06	317,107	268,571	113,682	42	85,261	32	52	130
State Total	**4,316.2**	**1.8684**	**2.91**	**1,307,360**	**1,135,215**	**496,731**	**44**	**448,713**	**40**	**72**	**123**

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RGI Metro Report

STATE Metro Name	12/31/81 Population (Thous.)	% Of U.S.	Average Household Size	1981 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
MAINE											
Bangor	139.1	0.0602	2.92	47,348	44,274	17,244	39	23,630	53	77	104
Lewiston - Auburn	101.1	0.0438	2.77	39,702	37,137	14,463	39	19,820	53	99	83
Portland	249.3	0.1079	2.69	111,177	106,771	[illegible]1,603	39	57,006	53	91	94
Non-Metro Portion of State	513.2	0.2222	2.80	157,368	148,440	57,825	39	79,240	53	78	103
State Total	**1,148.1**	**0.4970**	**2.78**	**420,600**	**399,112**	**155,473**	**39**	**213,049**	**53**	**89**	**93**
MARYLAND											
Baltimore	2,192.7	0.9491	2.81	947,527	796,876	367,084	46	301,065	38	90	100
Cumberland	1[illegible]7.7	0.0466	2.73	33,735	30,101	13,345	44	14,045	47	84	92
Hagerstown	114.4	0.0495	2.77	37,100	30,607	13,389	44	14,414	47	72	115
Non-Metro Portion of State	490.2	0.2123	2.88	189,323	170,836	74,708	44	80,472	47	91	85
State Total	**4,270.6**	**1.8487**	**2.82**	**1,813,334**	**1,602,256**	**732,081**	**46**	**647,572**	**40**	**91**	**97**
MASSACHUSETTS											
Boston - Lowell - Brockton - Lawrence - Haverhill	3,659.2	1.5839	2.76	1,902,053	1,711,770	511,614	30	915,370	53	126	97
New Bedford - Fall River	481.6	0.2085	2.80	195,285	172,161	69,801	41	81,523	47	98	83
Pittsfield	144.2	0.0624	2.71	61,369	50,293	18,754	37	26,050	52	69	120
Springfield - Chicopee - Holyoke	582.9	0.2523	2.82	250,153	212,931	67,207	32	103,932	49	73	101
Worcester - Fitchburg - Leominster	650.3	0.2815	2.81	235,550	209,025	66,817	32	102,036	49	83	108
Non-Metro Portion of State	238.5	0.1033	2.49	212,089	196,840	46,732	24	129,536	66	164	52
State Total	**5,756.7**	**2.4919**	**2.76**	**2.856,499**	**2,553,020**	**780,925**	**31**	**1,358,447**	**53**	**113**	**94**
MICHIGAN											
Ann Arbor	270.5	0.1171	2.78	145,580	132,078	51,154	39	66,899	51	215	78
Battle Creek	188.7	0.0817	2.75	72,029	61,969	24,003	39	31,390	51	136	101
Bay City	120.1	0.0520	2.83	50,672	37,726	14,614	39	19,107	51	87	101
Benton Harbor	172.2	0.0745	2.78	67,607	55,864	20,581	37	32,090	57	87	97
Detroit	4,328.9	1.8739	2.82	2,045,561	1,757,250	671,425	38	861,971	49	102	93
Flint	523.4	0.2266	2.86	220,713	181,376	74,115	41	84,760	47	98	92
Grand Rapids	614.5	0.2660	2.85	281,970	244,344	77,136	32	146,149	60	179	87
Jackson	152.4	0.0660	2.91	47,983	40,461	15,672	39	20,494	51	130	116
Kalamazoo - Portage	283.6	0.1228	2.76	121,716	105,371	42,758	41	54,555	52	135	91
Lansing - East Lansing	479.7	0.2077	2.89	204,418	169,812	76,592	45	77,100	45	122	93
Muskegon - Norton Shores - Muskegon Heights	180.1	0.0779	2.83	60,893	50,837	19,694	39	25,749	51	113	98
Saginaw	229.4	0.0993	2.92	131,093	108,909	42,185	39	55,169	51	128	71
Non-Metro Portion of State	1,641.3	0.7105	2.84	587,697	437,718	161,363	37	251,657	57	82	102
State Total	**9,322.2**	**4.0355**	**2.83**	**4,070,380**	**3,410,323**	**1,301,095**	**38**	**1,741,356**	**51**	**106**	**93**
MINNESOTA											
Duluth - Superior	267.8	0.1159	2.66	109,185	81,587	29,305	36	47,839	59	93	112
Fargo - Moorhead	141.2	0.0612	2.73	98,781	76,559	26,513	35	45,216	59	155	78
Minneapolis - St. Paul	2,146.0	0.9290	2.70	1,103,076	938,087	340,851	36	527,748	56	130	102
Rochester	93.7	0.0406	2.73	51,064	45,100	15,691	35	26,332	58	127	138
St. Cloud	169.5	0.0735	3.22	60,098	45,952	15,990	35	26,832	58	133	100
Non-Metro Portion of State	1,467.2	0.6348	2.80	489,655	386,430	117,977	31	245,572	64	94	109
State Total	**4,139.3**	**1.7918**	**2.75**	**1,824,419**	**1,508,995**	**523,569**	**35**	**881,351**	**58**	**116**	**105**
MISSISSIPPI											
Biloxi - Gulfport	197.3	0.0855	2.96	70,616	63,839	34,934	55	21,520	34	92	100
Jackson	331.6	0.1436	2.90	132,477	127,794	62,205	49	35,888	28	108	100

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RGI Metro Report

	12/31/81			1981							
						Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
MISSISSIPPI *continued*											
Pascagoula - Moss Point	123.1	0.0533	3.07	29,429	26,850	14,694	55	9,051	34	60	128
Non-Metro Portion of State	1,860.8	0.8054	3.00	324,538	309,435	172,446	56	111,867	36	50	131
State Total	**2,570.3**	**1.1126**	**2.99**	**563,553**	**534,411**	**287,696**	**54**	**180,694**	**34**	**61**	**120**
MISSOURI											
Columbia	104.6	0.0453	2.77	60,062	57,146	25,123	44	25,320	44	165	71
Joplin	130.5	0.0564	2.60	53,931	49,783	22,317	45	24,218	49	109	73
Kansas City	1,338.9	0.5795	2.63	721,455	672,506	311,588	46	276,961	41	140	87
St. Joseph	102.7	0.0444	2.66	42,988	37,408	16,447	44	16,575	44	104	93
St. Louis	2,353.0	1.0185	2.75	1,087,224	953,451	434,646	46	398,319	42	104	99
Springfield	215.0	0.0931	2.65	102,707	95,995	46,196	48	37,517	39	133	80
Non-Metro Portion of State	1,745.7	0.7560	2.72	447,128	395,760	177,914	45	193,472	49	74	112
State Total	**4,976.1**	**2.1541**	**2.70**	**2,065,101**	**1,873,412**	**827,344**	**44**	**823,530**	**44**	**106**	**97**
MONTANA											
Billings	112.8	0.0488	2.64	53,630	42,967	15,381	36	25,677	60	80	116
Great Falls	80.5	0.0348	2.68	37,814	26,689	9,555	36	15,951	60	82	121
Non-Metro Portion of State	612.9	0.2654	2.73	225,645	154,777	54,937	35	93,840	61	72	136
State Total	**806.2**	**0.3490**	**2.71**	**317,089**	**224,433**	**79,873**	**36**	**135,468**	**60**	**74**	**131**
NEBRASKA											
Lincoln	197.8	0.0857	2.62	116,974	100,194	40,207	40	52,431	52	145	80
Omaha	576.0	0.2493	2.73	314,304	250,710	99,682	40	129,216	52	128	98
Non-Metro Portion of State	886.8	0.3838	2.69	357,090	262,564	101,470	39	146,485	56	95	101
State Total	**1,591.3**	**0.6888**	**2.69**	**748,812**	**582,478**	**228,295**	**39**	**311,373**	**53**	**113**	**98**
NEVADA											
Las Vegas	493.3	0.2135	2.59	244,315	198,649	72,322	36	114,083	57	95	504
Reno	206.8	0.0896	2.45	117,628	104,498	38,222	37	60,167	58	119	257
Non-Metro Portion of State	152.9	0.0662	2.64	56,242	44,976	16,549	37	25,987	58	99	482
State Total	**853.0**	**0.3693**	**2.57**	**418,185**	**348,123**	**127,093**	**37**	**200,237**	**58**	**102**	**427**
NEW HAMPSHIRE											
Manchester - Nashua	286.1	0.1239	2.82	123,719	116,537	40,956	35	64,902	56	102	91
Portsmouth - Dover - Rochester	433.4	0.1876	2.80	208,970	201,546	72,512	36	113,083	56	109	66
Non-Metro Portion of State	380.5	0.1646	2.72	158,642	153,221	53,082	35	87,851	57	88	100
State Total	**954.6**	**0.4132**	**2.78**	**426,326**	**408,814**	**142,212**	**35**	**232,483**	**57**	**96**	**85**
NEW JERSEY											
Atlantic City	197.0	0.0853	2.68	127,083	100,339	34,682	35	59,829	60	111	208
Jersey City	549.5	0.2379	2.64	159,432	108,714	38,578	35	53,864	50	58	160
Long Branch - Asbury Park	509.9	0.2208	2.89	231,926	189,084	62,517	33	109,445	58	92	93
Newark	1,947.8	0.8431	2.86	785,425	629,257	195,411	31	326,005	52	78	123
New Brunswick - Perth Amboy - Sayreville	595.9	0.2579	2.96	235,538	177,724	77,520	44	76,020	43	77	116
Paterson - Clifton - Passaic	444.2	0.1923	2.89	185,531	149,856	46,360	31	79,752	53	104	100
Trenton	307.8	0.1333	2.86	128,844	96,827	32,674	34	49,887	52	74	145
Vineland - Millville - Bridgeton	134.4	0.0582	2.96	45,842	34,864	11,860	34	18,504	53	50	113
Non-Metro Portion of State	670.3	0.2901	2.74	319,287	251,883	74,692	30	159,957	64	77	91
State Total	**7,397.2**	**3.2021**	**2.84**	**3,123,457**	**2,497,005**	**843,340**	**34**	**1,332,944**	**53**	**83**	**113**

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RGI Metro Report

	12/31/81			1981							
						Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
NEW MEXICO											
Albuquerque	478.1	0.2071	2.73	199,291	177,961	74,329	42	79,223	45	115	103
Las Cruces	101.2	0.0438	3.08	32,869	27,039	11,538	43	13,209	49	89	99
Non-Metro Portion of State	780.7	0.3379	2.94	254,967	220,417	95,182	43	107,576	49	74	106
State Total	**1,360.0**	**0.5888**	**2.87**	**487,127**	**425,417**	**181,049**	**43**	**200,008**	**47**	**88**	**104**
NEW YORK											
Albany - Schenectady - Troy	797.5	0.3452	2.71	362,431	309,346	97,535	32	166,012	54	95	97
Binghamton	300.7	0.1301	2.77	112,925	93,514	32,515	35	50,579	54	82	98
Buffalo	1,222.8	0.5292	2.73	594,599	486,564	169,460	35	250,950	52	87	90
Elmira	97.1	0.0420	2.77	31,435	25,778	7,866	31	13,826	54	68	123
Glens Falls	110.7	0.0479	2.89	56,321	49,851	16,243	33	27,913	56	89	79
Nassau - Suffolk	2,615.3	1.1322	3.15	1,047,652	961,265	304,206	32	485,182	50	89	95
Newburgh - Middletown	266.8	0.1155	3.05	91,428	79,565	24,476	31	45,802	58	58	96
New York	8,991.1	3.8921	2.56	3,858,743	3,473,180	1,003,770	29	1,905,441	55	110	128
Poughkeepsie	249.8	0.1082	2.98	80,552	70,516	21,523	31	37,817	54	61	108
Rochester	972.8	0.4212	2.77	396,682	343,845	111,242	32	183,790	53	86	105
Syracuse	643.5	0.2786	2.81	287,924	245,664	76,054	31	125,983	51	82	101
Utica - Rome	316.6	0.1371	2.81	133,275	109,467	42,683	39	49,919	46	83	90
Non-Metro Portion of State	1,748.2	0.7566	2.86	621,665	504,838	164,492	33	282,657	56	76	115
State Total	**17,456.6**	**7.5566**	**2.72**	**7,240,413**	**6,375,782**	**1,942,682**	**30**	**3,427,390**	**54**	**96**	**115**
NORTH CAROLINA											
Asheville	180.4	0.0780	2.63	64,699	60,788	30,391	50	23,920	39	98	107
Burlington	99.2	0.0430	2.68	31,914	31,082	15,536	50	12,230	39	86	98
Charlotte - Gastonia	650.4	0.2816	2.75	247,012	238,214	118,128	50	91,844	39	97	105
Fayetteville	254.5	0.1102	3.21	73,869	66,688	33,342	50	26,242	39	103	89
Greensboro - Winston-Salem - High Point	842.5	0.3646	2.70	320,617	310,431	140,081	45	112,376	36	111	94
Hickory	133.3	0.0577	2.77	49,282	47,974	25,631	53	19,060	40	105	81
Jacksonville	114.9	0.0498	3.62	31,517	27,157	14,511	53	10,924	40	141	71
Raleigh - Durham	549.6	0.2379	2.72	229,097	222,066	99,873	45	91,146	41	116	99
Salisbury - Concord	188.6	0.0816	2.73	47,602	45,162	24,124	53	18,162	40	79	107
Wilmington	144.4	0.0625	2.71	57,866	55,439	27,714	50	21,815	39	96	80
Non-Metro Portion of State	2,841.7	1.2302	2.84	609,462	591,178	316,014	53	238,153	40	66	117
State Total	**6,011.4**	**2.6022**	**2.81**	**1,763,998**	**1,697,168**	**845,887**	**50**	**666,254**	**39**	**87**	**104**
NORTH DAKOTA											
Bismarck	84.0	0.0363	2.80	44,854	36,185	11,682	32	21,722	60	115	97
Fargo - Moorhead	141.2	0.0612	2.73	98,781	76,559	26,513	35	45,216	59	155	78
Grand Forks	102.2	0.0443	2.86	54,382	39,359	13,624	35	23,252	59	134	89
Non-Metro Portion of State	420.5	0.1821	2.81	169,430	109,696	35,728	33	66,447	61	88	115
State Total	**663.1**	**0.2871**	**2.79**	**324,074**	**232,169**	**77,241**	**33**	**139,215**	**60**	**113**	**98**
OHIO											
Akron	656.6	0.2843	2.76	300,623	263,629	113,143	43	133,764	51	96	89
Canton	406.3	0.1758	2.78	174,175	150,573	63,299	42	74,486	49	87	88
Cincinnati	1,405.8	0.6086	2.75	676,014	598,144	260,907	44	266,872	45	109	92
Cleveland	1,870.3	0.8098	2.67	839,238	724,657	273,501	38	369,059	51	98	108
Columbus	1,106.9	0.4791	2.69	557,147	496,038	231,841	47	219,007	44	124	91
Dayton	826.0	0.3575	2.70	355,205	317,219	150,942	48	135,894	43	110	96
Hamilton - Middletown	264.4	0.1145	2.87	91,077	75,630	46,966	62	23,669	31	74	107
Lima	220.2	0.0953	2.86	79,945	71,936	31,453	44	33,248	46	104	95
Lorain - Elyria	278.1	0.1204	2.95	79,113	61,829	28,657	46	27,214	44	66	140
Mansfield	131.3	0.0569	2.76	50,907	43,702	19,105	44	20,198	46	92	98
Newark	123.3	0.0534	2.81	37,924	32,640	14,322	44	15,115	46	87	111

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RGI Metro Report

	12/31/81		1981									
						Fast Food		Restaurant				
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
OHIO *continued*											
Parkersburg - Marietta	165.8	0.0717	2.76	57,971	52,112	24,328	47	22,150	43	74	103
Springfield	183.0	0.0793	2.75	54,720	48,821	21,344	44	22,559	46	72	122
Steubenville - Weirton	162.2	0.0703	2.78	46,112	36,100	16,596	46	15,656	43	63	142
Toledo	797.5	0.3451	2.79	354,960	307,258	122,319	40	150,220	49	104	93
Youngstown - Warren	530.0	0.2294	2.78	197,313	165,197	75,343	46	75,005	45	82	106
Non-Metro Portion of State	2,166.4	0.9376	2.85	635,076	535,008	234,693	44	247,781	46	76	109
State Total	**10,827.8**	**4.6872**	**2.76**	**4,421,800**	**3,835,216**	**1,667,024**	**43**	**1,782,965**	**46**	**96**	**100**
OKLAHOMA											
Enid	64.3	0.0278	2.58	32,222	30,806	14,965	49	12,330	40	111	71
Lawton	113.5	0.0492	3.14	31,304	28,560	13,975	49	10,884	38	86	96
Oklahoma City	857.2	0.3710	2.62	420,356	393,504	198,372	50	140,436	36	112	86
Tulsa	715.7	0.3099	2.62	274,446	260,601	123,605	47	97,753	38	86	104
Non-Metro Portion of State	1,289.4	0.5580	2.67	336,423	317,060	154,151	49	130,332	41	64	105
State Total	**3,114.4**	**1.3481**	**2.66**	**1,107,326**	**1,042,432**	**510,895**	**49**	**396,269**	**38**	**84**	**96**
OREGON											
Eugene - Springfield	281.6	0.1218	2.58	141,083	123,131	53,390	43	60,176	49	120	81
Medford	139.7	0.0605	2.65	66,341	56,847	20,305	36	34,453	61	106	76
Portland	1,277.3	0.5529	2.55	801,005	683,435	247,061	36	384,996	56	172	78
Salem	262.9	0.1138	2.70	128,809	112,341	41,155	37	63,951	57	161	71
Non-Metro Portion of State	963.4	0.4172	2.67	481,959	412,253	147,317	36	249,900	61	110	71
State Total	**2,723.1**	**1.1788**	**2.60**	**1,533,431**	**1,316,836**	**481,513**	**37**	**754,015**	**57**	**139**	**75**
PENNSYLVANIA											
Allentown - Bethlehem - Easton	643.3	0.2784	2.71	243,325	210,378	84,550	40	93,167	44	79	103
Altoona	136.9	0.0592	2.74	47,823	40,715	15,457	38	20,044	49	75	105
Erie	282.7	0.1223	2.82	94,115	75,065	33,875	45	34,896	46	102	133
Harrisburg	452.8	0.1960	2.68	209,839	176,860	77,167	44	81,676	46	88	110
Johnstown	265.0	0.1146	2.82	70,010	53,280	27,299	51	20,928	39	62	160
Lancaster	370.0	0.1602	2.87	124,607	109,343	42,334	39	60,443	55	87	121
Northeast Pennsylvania	644.1	0.2787	2.70	219,604	183,690	65,601	36	89,315	49	81	127
Philadelphia	4,698.1	2.0335	2.82	1,881,897	1,549,856	560,497	36	771,890	50	97	121
Pittsburgh	2,239.6	0.9695	2.67	889,616	713,006	246,073	35	368,830	52	93	123
Reading	316.1	0.1369	2.69	121,038	104,363	40,114	38	56,550	54	100	107
Sharon	128.5	0.0556	2.81	43,560	35,284	14,007	40	17,895	51	77	114
State College	114.3	0.0495	3.03	41,986	39,554	15,694	40	20,051	51	81	84
Williamsport	119.5	0.0518	2.75	31,525	24,058	9,135	38	11,843	49	52	163
York	390.5	0.1690	2.77	124,850	106,531	47,271	44	48,040	45	76	115
Non-Metro Portion of State	2,173.5	0.9414	2.81	544,262	433,355	172,006	40	219,683	51	63	139
State Total	**11,876.2**	**5.1410**	**2.76**	**4,239,430**	**3,491,353**	**1,317,197**	**38**	**1,724,291**	**49**	**85**	**124**
RHODE ISLAND											
Providence - Warwick - Pawtucket	869.5	0.3764	2.73	306,919	270,803	85,496	32	152,823	56	96	117
Non-Metro Portion of State	81.7	0.0354	2.82	45,394	37,090	10,734	29	22,519	61	158	78
State Total	**951.2**	**0.4118**	**2.74**	**352,313**	**307,893**	**96,230**	**31**	**175,342**	**57**	**100**	**112**
SOUTH CAROLINA											
Anderson	138.0	0.0598	2.79	36,070	34,364	16,846	49	14,582	42	61	104
Charleston - North Charleston	446.0	0.1931	3.05	146,199	137,670	70,232	51	46,885	34	97	90
Columbia	420.8	0.1822	2.98	153,795	145,373	73,771	51	52,764	36	100	97

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	12/31/81			1981							
						Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
SOUTH CAROLINA *continued*											
Florence	113.7	0.0492	3.02	28,612	28,012	13,739	49	11,895	42	73	136
Greenville - Spartanburg	584.6	0.2531	2.82	222,719	213,340	113,306	53	78,749	37	96	87
Rock Hill	110.5	0.0479	2.99	42,812	40,415	19,817	49	17,145	42	101	74
Non-Metro Portion of State	1,285.3	0.5562	3.01	311,847	297,158	145,740	49	126,080	42	72	121
State Total	**3,207.1**	**1.3883**	**2.96**	**962,872**	**916,018**	**462,973**	**51**	**356,650**	**39**	**83**	**103**
SOUTH DAKOTA											
Sioux Falls	112.4	0.0487	2.65	72,971	61,796	20,919	34	37,255	60	156	82
Non-Metro Portion of State	586.6	0.2539	2.81	254,471	194,166	58,180	30	123,040	63	101	92
State Total	**699.0**	**0.3026**	**2.78**	**327,442**	**255,962**	**79,099**	**31**	**160,295**	**63**	**111**	**89**
TENNESSEE											
Chattanooga	435.3	0.1886	2.77	133,178	126,393	60,519	48	56,611	45	85	116
Clarksville - Hopkinsville	155.1	0.0671	3.13	44,498	40,913	19,976	49	16,947	41	97	86
Johnson City - Kingsport - Bristol	443.1	0.1919	2.76	121,373	116,964	66,743	57	34,445	29	76	99
Knoxville	488.0	0.2112	2.67	159,775	148,804	78,347	53	55,487	37	88	117
Memphis	927.0	0.4012	2.86	297,607	278,682	128,602	46	113,896	41	81	123
Nashville-Davidson	878.3	0.3802	2.76	361,988	344,702	139,367	40	167,049	48	108	102
Non-Metro Portion of State	1,755.5	0.7599	2.80	353,699	332,714	159,261	48	150,967	45	61	127
State Total	**4,705.6**	**2.0369**	**2.78**	**1,402,306**	**1.322,783**	**616,432**	**47**	**571,999**	**43**	**83**	**114**
TEXAS											
Abilene	142.6	0.0617	2.80	53,927	51,566	24,200	47	20,354	39	91	93
Amarillo	180.0	0.0779	2.63	124,572	111,330	52,250	47	43,938	39	117	65
Austin	568.4	0.2460	2.67	317,630	282,299	127,983	45	118,296	42	124	75
Beaumont - Port Arthur - Orange	382.0	0.1655	2.79	174,093	160,293	79,007	49	59,447	37	92	80
Brownsville - Harlingen - San Benito	222.0	0.0961	3.52	69,852	63,291	29,706	47	24,982	39	76	89
Bryan - College Station	100.1	0.0434	2.77	46,195	42,931	20,150	47	16,944	39	176	68
Corpus Christi	333.3	0.1442	3.05	120,613	104,330	45,596	44	45,776	44	71	103
Dallas - Fort Worth	3,081.9	1.3339	2.71	1,655,529	1,545,695	698,992	45	585,122	38	141	83
El Paso	502.1	0.2174	3.35	184,330	150,659	63,126	42	66,614	44	95	89
Galveston - Texas City	200.7	0.0869	2.77	88,199	79,448	37,289	47	31,358	39	73	84
Houston	3,072.9	1.3301	2.77	1,629,437	1,484,142	698,328	47	598,342	40	104	87
Killeen - Temple	225.3	0.0974	3.17	64,104	60,302	28,305	47	23,802	39	101	91
Laredo	104.5	0.0452	3.79	33,836	30,737	14,427	47	12,131	39	65	80
Longview - Marshall	158.0	0.0684	2.78	69,692	66,039	31,001	47	26,067	39	80	78
Lubbock	217.8	0.0942	2.84	115,402	106,062	49,780	47	41,864	39	113	74
McAllen - Pharr - Edinburg	303.4	0.1314	3.67	73,002	62,785	35,645	57	18,537	30	54	89
Midland	86.5	0.0375	2.72	38,073	35,049	16,451	47	13,835	39	75	102
Odessa	120.5	0.0522	2.77	88,663	80,084	37,588	47	31,610	39	109	54
San Angelo	87.7	0.0379	2.73	42,681	37,661	17,675	47	14,865	39	91	77
San Antonio	1,102.7	0.4773	3.00	454,671	406,182	175,740	43	169,519	42	100	92
Sherman - Denison	91.2	0.0395	2.59	28,142	27,695	12,999	47	10,932	39	77	106
Texarkana	129.7	0.0562	2.75	40,804	38,651	18,800	49	15,097	39	68	98
Tyler	134.4	0.0582	2.74	53,704	52,175	24,487	47	20,593	39	86	86
Victoria	71.9	0.0312	2.92	38,086	32,228	16,161	50	13,704	43	95	70
Waco	175.4	0.0759	2.73	76,828	69,278	32,517	47	27,344	39	100	94
Wichita Falls	131.3	0.0568	2.75	58,594	53,396	25,068	47	21,075	39	95	80
Non-Metro Portion of State	2,924.9	1.2665	2.82	683,928	630,178	316,446	50	268,499	43	55	114
State Total	**14,798.1**	**6.4059**	**2.83**	**6,412,434**	**5,854,039**	**2,724,151**	**47**	**2,336,681**	**40**	**98**	**87**

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RGI Metro Report

STATE Metro Name	12/31/81			1981							
						Fast Food		Restaurant			
	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
UTAH											
Provo - Orem	235.4	0.1019	3.72	38,941	37,096	16,649	45	18,674	50	66	175
Salt Lake City - Ogden	982.3	0.4252	3.10	245,746	228,854	107,818	47	109,355	48	78	147
Non-Metro Portion of State	326.4	0.1413	3.30	81,294	76,527	25,792	34	47,916	63	84	104
State Total	**1,544.1**	**0.6684**	**3.22**	**365,981**	**342,477**	**150,259**	**44**	**175,945**	**51**	**78**	**141**
VERMONT											
Burlington	118.0	0.0511	2.91	59,216	53,918	14,669	27	31,734	59	132	86
Non-Metro Portion of State	404.9	0.1752	2.76	137,113	125,656	34,201	27	73,978	59	90	124
State Total	**522.9**	**0.2263**	**2.79**	**196,329**	**179,574**	**48,870**	**27**	**105,712**	**59**	**100**	**112**
VIRGINIA											
Charlottesville	117.6	0.0510	2.81	39,580	39,344	19,293	49	15,422	39	86	102
Danville	112.8	0.0488	2.75	28,235	27,549	13,475	49	10,771	39	60	115
Lynchburg	156.4	0.0677	2.89	44,974	44,242	20,250	46	18,217	41	68	109
Newport News - Hampton	370.7	0.1606	2.86	178,469	174,684	66,864	38	83,666	48	131	78
Norfolk - Virginia Beach - Portsmouth	820.1	0.3549	2.97	332,802	314,972	169,111	54	117,900	37	111	87
Petersburg - Colonial Heights - Hopewell	130.2	0.0563	3.03	34,446	32,668	14,979	46	13,450	41	71	102
Richmond	645.9	0.2794	2.72	294,779	286,796	130,803	46	114,451	40	108	95
Roanoke	227.0	0.0982	2.64	96,125	93,662	42,861	46	38,537	41	95	95
Non-Metro Portion of State	1,667.6	0.7220	2.89	371,009	363,646	178,126	49	142,349	39	60	116
State Total	**5,467.0**	**2.3666**	**2.81**	**2,000,866**	**1,946,986**	**861,371**	**44**	**819,177**	**42**	**92**	**98**
WASHINGTON											
Bellingham	111.5	0.0483	2.64	71,795	69,785	23,029	33	43,639	63	204	52
Bremerton	156.1	0.0676	2.74	55,164	47,833	15,790	33	29,913	63	87	100
Olympia	133.8	0.0579	2.62	58,342	51,949	17,144	33	32,489	63	107	88
Richland - Kennewick - Pasco	154.9	0.0671	2.77	87,009	75,080	24,973	33	44,831	60	99	82
Seattle - Everett	1,644.3	0.7118	2.55	1,172,326	1,054,808	319,048	30	640,521	61	158	67
Spokane	352.7	0.1527	2.60	171,294	149,656	60,064	40	81,595	55	123	93
Tacoma	503.4	0.2179	2.72	207,886	176,207	65,793	37	99,534	56	117	91
Yakima	178.7	0.0773	2.77	76,301	65,320	21,728	33	39,001	60	108	84
Non-Metro Portion of State	835.1	0.3614	2.65	356,099	293,099	96,463	33	183,461	63	99	88
State Total	**4,272.3**	**1.8494**	**2.63**	**2,341,982**	**2,054,908**	**671,747**	**33**	**1,234,445**	**60**	**131**	**77**
WEST VIRGINIA											
Charleston	272.4	0.1180	2.65	106,022	99,878	48,327	48	40,272	40	91	100
Huntington - Ashland	316.1	0.1368	2.76	87,836	78,683	46,028	58	25,329	32	67	117
Parkersburg - Marietta	165.8	0.0717	2.76	57,971	52,112	24,328	47	22,150	43	74	103
Steubenville - Weirton	162.2	0.0703	2.78	46,112	36,100	16,596	46	15,656	43	63	142
Wheeling	186.2	0.0806	2.70	79,764	66,081	30,714	46	28,238	43	95	91
Non-Metro Portion of State	1,260.9	0.5458	2.85	250,900	228,046	113,218	50	89,800	39	49	137
State Total	**1,990.8**	**0.8618**	**2.79**	**519,954**	**470,822**	**235,812**	**50**	**183,492**	**39**	**63**	**120**
WISCONSIN											
Appleton - Oshkosh	294.8	0.1275	2.85	123,563	90,544	32,882	36	52,323	58	97	109
Duluth - Superior	267.8	0.1159	2.66	109,185	81,587	29,305	36	47,839	59	93	112
Eau Claire	134.0	0.0580	2.87	70,499	47,830	16,357	34	28,183	59	138	86
Green Bay	178.4	0.0772	2.83	85,350	64,001	21,885	34	37,712	59	108	101
Janesville - Beloit	140.8	0.0610	2.77	59,680	45,592	13,715	30	29,307	64	87	100
Kenosha	123.9	0.0536	2.79	51,003	35,039	11,981	34	20,647	59	95	118
La Crosse	93.0	0.0402	2.78	62,132	47,615	16,282	34	28,057	59	163	73

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	12/31/81			1981							
						Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
WISCONSIN *continued*											
Madison	329.7	0.1427	2.60	206,114	164,595	65,804	40	89,406	54	166	88
Milwaukee	1,399.2	0.6056	2.73	724,300	567,604	198,055	35	321,067	57	104	102
Racine	174.1	0.0753	2.84	68,125	51,937	17,761	34	30,603	59	84	109
Sheboygan	102.1	0.0442	2.79	36,588	24,892	7,490	30	16,002	64	67	128
Wausau	114.1	0.0494	2.87	37,929	25,695	7,733	30	16,525	64	72	148
Non-Metro Portion of State	1,594.0	0.6904	2.83	647,177	422,936	127,322	30	272,122	64	90	110
State Total	**4,767.8**	**2.0639**	**2.78**	**2,204,492**	**1,606,071**	**543,818**	**34**	**952,348**	**59**	**102**	**104**
WYOMING											
Casper	76.3	0.0330	2.73	38,875	30,354	11,706	39	17,594	58	73	113
Non-Metro Portion of State	422.5	0.1829	2.80	175,971	136,253	52,618	39	79,093	58	81	134
State Total	**498.8**	**0.2159**	**2.79**	**214,846**	**166,607**	**64,324**	**39**	**96,687**	**58**	**79**	**130**
United States Total	**231,009.5**	**100.0000**	**2.76**	**96,417,426**	**85,178,327**	**33,669,168**	**40**	**42,061,801**	**49**	**100**	**100**

Sales by Area of Dominant Influence (ADI)

This 10th installment of the ADI Report shows 210 areas of dominant influence for a TV Signal. Each area includes major cities and nearby counties.

	12/31/81			1981							
						Fast Food		Restaurant			
ADI Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Abilene - Sweetwater	295.1	0.1276	2.69	90,407	86,753	41,759	48	35,398	41	74	104
Albany, Ga.	378.6	0.1635	2.96	79,238	76,556	42,668	56	27,055	35	63	124
Albany - Schenectady - Troy	1,280.7	0.5543	2.73	550,200	467,918	150,758	32	253,157	54	86	100
Albuquerque	1,042.4	0.4515	2.90	385,389	340,720	139,836	41	163,761	48	96	102
Alexandria, La.	197.8	0.0857	2.95	34,966	30,916	13,782	45	11,892	38	51	168
Alexandria, Minn.	227.1	0.0983	2.82	75,404	59,888	18,366	31	38,070	64	100	102
Alpena	32.6	0.0141	2.79	13,562	11,216	4,130	37	6,404	57	78	80
Amarillo	477.0	0.2067	2.72	210,404	192,109	91,228	47	79,475	41	92	82
Anniston	121.7	0.0527	2.95	42,178	40,885	20,997	51	14,481	35	88	69
Ardmore - Ada	180.8	0.0781	2.66	41,568	39,131	19,036	49	15,822	40	56	117
Atlanta	3,046.8	1.3190	2.78	1,258,914	1,197,143	614,316	51	434,217	36	111	94
Augusta	589.8	0.2553	2.97	136,318	126,687	63,040	50	53,632	42	67	109
Austin, Tex.	682.7	0.2953	2.67	346,711	309,514	141,657	46	129,869	42	115	77
Bakersfield	418.6	0.1812	2.83	191,351	174,226	67,978	39	95,979	55	91	71
Baltimore	2,379.0	1.0299	2.81	1,010,862	854,690	390,493	46	330,852	39	89	99
Bangor	311.0	0.1346	2.84	95,804	91,275	35,558	39	48,731	53	73	103
Baton Rouge	725.3	0.3141	3.03	195,091	168,624	84,309	50	64,253	38	66	131
Beaumont - Port Arthur	462.5	0.2003	2.78	185,153	170,930	84,507	49	63,965	37	82	85

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ADI Report

	12/31/81			1981							
						Fast Food		Restaurant			
ADI Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Bend	67.0	0.0290	2.66	36,326	32,412	11,582	36	19,645	61	99	73
Billings - Hardin	211.5	0.0914	2.70	85,308	64,483	23,311	36	38,578	60	76	128
Biloxi - Gulfport - Pascagoula	171.4	0.0743	2.96	67,497	61,538	33,678	55	20,745	34	103	95
Binghamton	423.3	0.1832	2.79	136,169	110,706	38,501	35	59,927	54	69	114
Birmingham	1,352.2	0.5854	2.78	390,192	371,990	183,327	49	140,084	38	81	110
Bluefield - Beckley - Oak Hill	433.0	0.1874	2.87	87,359	81,344	40,280	50	31,859	39	43	142
Boise	431.3	0.1869	2.76	174,185	153,144	60,935	40	83,920	55	90	93
Boston	5,332.4	2.3082	2.76	2,696,186	2,452,478	739,361	30	1,338,963	55	118	92
Bowling Green	151.3	0.0653	2.83	39,932	36,153	19,643	54	14,390	40	62	109
Bristol - Kingsport - Johnson City	748.7	0.3244	2.82	164,740	159,164	87,310	55	51,768	33	63	114
Buffalo	1,763.1	0.7632	2.76	768,740	624,302	215,648	35	326,991	52	85	94
Burlington - Plattsburgh	676.0	0.2926	2.85	257,055	229,090	67,441	29	132,788	58	91	111
Casper - Riverton	159.3	0.0691	2.82	72,352	53,005	20,477	39	30,785	58	69	122
Cedar Rapids - Waterloo	886.1	0.3836	2.80	395,117	306,818	125,044	41	160,255	52	106	95
Charleston, S.C.	561.5	0.2431	3.06	172,407	162,194	82,250	51	57,285	35	93	93
Charleston - Huntington	1,487.6	0.6441	2.85	353,608	317,096	160,026	50	125,862	40	57	122
Charlotte	1,756.8	0.7607	2.79	528,742	508,275	259,714	51	201,661	40	85	105
Chattanooga	796.4	0.3447	2.81	209,183	198,877	98,707	50	85,462	43	72	117
Cheyenne	131.4	0.0569	2.67	50,601	43,642	16,816	39	24,793	57	92	119
Chicago	8,487.9	3.6742	2.82	3,977,417	3,495,390	1,323,298	38	1,763,553	50	125	102
Chico - Redding	359.7	0.1556	2.56	138,171	118,997	43,495	37	71,542	60	79	92
Cincinnati	1,932.8	0.8369	2.78	822,331	718,762	329,161	46	310,494	43	98	95
Clarksburg - Weston	210.9	0.0912	2.78	48,133	44,820	22,271	50	17,701	39	61	117
Cleveland	3,870.3	1.6757	2.74	1,618,884	1,394,654	564,004	40	693,940	50	93	103
Colorado Springs - Pueblo	547.7	0.2371	2.77	170,959	152,278	64,351	42	75,907	50	83	127
Columbia, S.C.	746.2	0.3229	3.03	217,606	206,642	103,825	50	78,630	38	85	105
Columbia - Jefferson City	387.5	0.1677	2.75	144,104	130,346	57,965	44	61,072	47	104	94
Columbus, Ga.	539.2	0.2332	2.94	137,313	129,334	69,918	54	46,333	36	85	105
Columbus - Tupelo	393.9	0.1706	2.94	80,048	75,296	42,048	56	27,234	36	58	120
Columbus, Ohio	1,605.2	0.6947	2.73	704,823	623,188	287,624	46	277,769	45	113	93
Corpus Christi	455.6	0.1972	3.07	158,186	139,076	63,135	45	60,566	44	66	99
Dallas - Ft. Worth	3,706.8	1.6044	2.70	1,795,229	1 677,435	763,900	46	640,343	38	125	86
Davenport - Rock Island - Moline	904.3	0.3913	2.73	400,129	314,692	137,286	44	151,349	48	106	97
Dayton	1,303.4	0.5642	2.73	506,042	452,207	210,362	47	197,859	44	100	99
Denver	2,352.9	1.0184	2.62	1,104,197	980,705	316,354	32	543,234	55	102	102
Des Moines	972.6	0.4212	2.66	424,122	349,657	146,609	42	171,682	49	94	103
Detroit	4,736.8	2.0505	2.82	2,223,589	1,915,936	732,382	38	943,136	49	105	93
Dothan	273.1	0.1183	2.87	57,452	56,058	29,818	53	21,672	39	62	109
Duluth - Superior	476.0	0.2061	2.69	186,094	137,028	46,443	34	82,908	61	89	114
El Centro - Yuma	191.2	0.0828	3.10	62,025	53,503	18,596	35	31,981	60	74	91
El Paso	625.7	0.2709	3.29	222,035	181,719	76,561	42	81,802	45	92	93
Elmira	237.8	0.1029	2.80	75,633	60,043	19,571	33	32,602	54	72	123
Erie	373.0	0.1614	2.82	123,698	98,472	43,169	44	46,768	47	98	130
Eugene	443.1	0.1917	2.63	223,621	191,397	77,777	41	101,543	53	115	78
Eureka	146.9	0.0635	2.53	73,260	62,771	22,896	36	37,758	60	91	85
Evansville	710.2	0.3076	2.73	233,653	198,187	97,674	49	80,084	40	83	115
Fargo	534.2	0.2311	2.79	254,596	188,122	63,253	34	112,689	60	117	95
Farmington	87.8	0.0380	3.14	25,595	20,401	8,731	43	9,963	49	52	118
Flint - Saginaw - Bay City	1,299.8	0.5628	2.88	530,867	421,260	165,286	39	212,720	50	94	92
Florence, S.C.	383.4	0.1659	3.00	141,761	135,350	66,370	49	57,496	42	103	107

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ADI Report

	12/31/81			1981							
						Fast Food		Restaurant			
ADI Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Ft. Myers - Naples	407.9	0.1765	2.44	188,396	172,458	66,646	39	92,118	53	86	87
Ft. Smith	352.1	0.1524	2.74	114,689	109,357	57,602	53	41,654	38	86	84
Ft. Wayne	677.6	0.2932	2.81	277,344	240,056	96,960	40	124,226	52	115	92
Fresno	1,089.3	0.4717	2.91	385,961	344,541	140,771	41	191,596	56	82	91
Gainesville	195.2	0.0846	2.70	92,013	86,261	31,997	37	45,723	53	111	65
Glendive, Mt	17.4	0.0075	2.72	7,294	4,698	1,733	37	2,865	61	67	155
Grand Junction	140.8	0.0611	2.72	48,619	45,368	12,813	28	29,200	64	83	95
Grand Rapids - Kalamazoo - Battle Creek	1,626.5	0.7040	2.83	638,488	540,030	192,822	36	301,202	56	133	93
Great Falls	177.1	0.0767	2.73	66,991	46,151	16,517	36	27,854	60	73	137
Green Bay	984.0	0.4259	2.82	419,315	298,398	100,104	34	180,582	61	99	102
Greensboro - Winston-Salem - High Point	1,261.6	0.5462	2.72	409,700	397,800	185,639	47	147,381	37	97	99
Greenville - New Bern - Washington	629.7	0.2726	2.99	155,580	145,625	77,890	53	58,644	40	77	95
Greenville - Spartanburg - Asheville	1,586.4	0.6867	2.78	457,014	437,980	228,334	52	169,374	39	76	103
Greenwood - Greenville	219.1	0.0947	3.19	34,726	33,378	18,557	56	12,000	36	44	139
Harrisburg - York - Lancaster - Lebanon	1,343.1	0.5813	2.77	490,558	418,126	176,850	42	203,029	49	82	116
Harrisonburg	107.7	0.0467	2.93	28,877	26,943	13,214	49	10,552	39	67	104
Hartford - New Haven	2,212.6	0.9578	2.76	958,326	863,778	309,452	36	403,393	47	109	104
Helena	48.4	0.0210	2.60	23,588	16,620	5,858	35	10,057	61	74	125
Houston	3,575.0	1.5477	2.78	1,810,767	1,645,042	776,838	47	664,014	40	99	87
Huntsville - Decatur - Florence	684.7	0.2963	2.81	177,522	171,579	89,404	52	62,244	36	79	109
Idaho Falls - Pocatello	312.9	0.1354	3.06	92,991	79,917	32,188	40	44,064	55	66	136
Indianapolis	2,210.6	0.9568	2.76	859,593	769,077	374,845	49	299,405	39	107	98
Jackson, Miss.	770.9	0.3337	2.97	185,246	177,770	90,232	51	54,087	30	69	120
Jackson, Tenn.	150.1	0.0650	2.72	37,406	34,552	16,500	48	15,647	45	65	118
Jacksonville	1,044.1	0.4518	2.77	385,465	359,151	183,163	51	144,450	40	90	104
Johnstown - Altoona	769.2	0.3330	2.83	225,344	186,238	77,641	42	89,450	48	69	121
Jonesboro	183.0	0.0795	2.70	39,944	38,545	19,406	50	15,516	40	60	116
Joplin - Pittsburg	449.3	0.1942	2.60	151,245	142,396	67,445	47	64,651	45	99	88
Kansas City	1,872.5	0.8107	2.67	854,684	787,359	365,763	46	329,532	42	126	92
Knoxville	1,156.5	0.5008	2.79	309,869	295,285	150,844	51	119,628	41	74	116
La Crosse - Eau Claire	428.2	0.1852	2.83	194,239	132,680	43,919	33	80,085	60	116	98
Lafayette, Ind.	123.0	0.0533	2.91	57,438	51,963	24,790	48	21,699	42	143	82
Lafayette, La.	543.9	0.2354	3.00	137,156	116,112	50,660	44	40,970	35	60	123
Lake Charles	269.1	0.1165	3.00	72,643	62,434	27,759	44	23,747	38	56	117
Lansing	622.2	0.2695	2.88	248,527	209,352	91,194	44	98,136	47	130	96
Laredo	111.6	0.0483	3.74	35,277	32,178	15,167	47	12,759	40	66	79
Las Vegas	497.3	0.2152	2.60	245,650	199,600	72,676	36	114,639	57	95	503
Laurel - Hattiesburg	245.2	0.1063	2.91	65,887	62,869	34,986	56	22,653	36	79	90
Lexington	817.5	0.3537	2.83	262,035	250,929	133,769	53	94,323	38	80	94
Lima	112.7	0.0488	2.80	48,264	44,045	19,256	44	20,357	46	117	90
Lincoln - Hastings - Kearney	671.5	0.2904	2.64	308,317	240,834	95,355	40	129,909	54	114	94
Little Rock	1,240.5	0.5370	2.75	315,344	301,299	154,392	51	118,343	39	74	120
Los Angeles	11,101.1	4.8054	2.75	5,834,416	5,411,468	1,991,220	37	3,028,843	56	124	84
Louisville	1,455.2	0.6301	2.82	549,623	491,185	252,375	51	185,876	38	94	98
Lubbock	427.8	0.1855	2.87	165,887	153,324	73,066	48	62,384	41	99	83
Macon	422.6	0.1831	2.93	122,551	116,658	62,635	54	42,209	36	78	100
Madison	537.6	0.2326	2.65	296,678	225,058	84,024	37	128,342	57	137	90

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ADI Report

	12/31/81			1981							
						Fast Food		Restaurant			
ADI Name	Population (Thous.)	% Of U.S.	Average Household Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Mankato	90.8	0.0392	2.73	49,209	38,362	12,173	32	23,873	62	100	82
Marquette	162.1	0.0700	2.86	63,134	42,462	15,557	37	24,457	58	76	103
McAllen - Brownsville	572.4	0.2478	3.63	147,691	130,386	67,508	52	45,347	35	61	91
Medford	312.8	0.1354	2.65	139,148	119,450	42,783	36	72,322	61	94	78
Memphis	1,677.4	0.7259	2.89	408,804	380,893	180,937	48	155,293	41	66	131
Meridian	209.5	0.0906	2.92	39,092	37,630	21,003	56	13,432	36	51	135
Miami	2,898.7	1.2548	2.58	1,608,039	1,479,722	450,969	30	862,121	58	120	91
Milwaukee	1,892.2	0.8190	2.76	923,047	713,380	244,061	34	411,990	58	100	104
Minneapolis - St. Paul	3,112.6	1.3476	2.76	1,433,409	1,184,786	417,810	35	682,498	58	122	104
Minot - Bismarck - Dickinson	381.3	0.1653	2.85	157,561	105,657	34,443	33	64,331	61	88	118
Missoula - Butte	315.6	0.1367	2.71	123,846	86,345	30,523	35	52,128	60	80	127
Mobile - Pensacola	1,140.1	0.4938	2.90	355,095	321,327	159,218	50	124,628	39	84	103
Monroe - El Dorado	567.0	0.2455	2.89	105,766	95,896	44,589	46	35,206	37	53	146
Montgomery	487.2	0.2108	2.89	129,759	124,540	62,934	51	41,148	33	85	114
Nashville	1,757.0	0.7603	2.79	538,798	510,727	220,784	43	239,523	47	85	109
New Orleans	1,707.0	0.7388	2.86	661,984	570,349	235,198	41	240,889	42	82	117
New York	17,811.2	7.7102	2.73	7,343,985	6,412,173	1,944,735	30	3,449,376	54	95	119
Norfolk - Portsmouth - Newport News - Hampton	1,433.9	0.6203	2.92	574,094	550,479	267,545	49	225,837	41	107	86
North Platte	46.6	0.0200	2.69	21,011	18,210	6,960	38	10,116	56	118	88
Odessa - Midland	362.1	0.1567	2.83	176,438	160,427	76,941	48	64,786	40	85	78
Oklahoma City	1,458.3	0.6310	2.63	590,806	555,496	277,130	50	206,981	37	95	90
Omaha	921.9	0.3990	2.71	430,285	337,553	134,722	40	176,544	52	111	101
Orlando - Daytona Beach	1,584.2	0.6857	2.60	794,995	733,762	300,588	41	364,164	50	108	95
Ottumwa - Kirksville	78.3	0.0338	2.65	22,047	18,325	8,153	44	9,092	50	8[illegible]	104
Paducah - Cape Girardeau - Harrisburg	895.1	0.3873	2.65	263,552	234,599	111,780	48	106,273	45	75	103
Palm Springs	704.7	0.3050	2.69	325,034	302,721	107,265	35	173,673	57	112	79
Panama City	171.5	0.0742	2.73	74,316	67,247	25,136	37	35,845	53	108	80
Parkersburg	103.5	0.0448	2.73	36,303	33,473	16,212	48	13,498	40	78	103
Peoria	585.2	0.2537	2.75	249,719	207,047	92,931	45	95,407	46	104	107
Philadelphia	6,970.2	3.0172	2.80	2,900,482	2,405,766	869,224	36	1,217,826	51	95	120
Phoenix	2,074.3	0.8980	2.76	748,963	676,765	237,429	35	342,604	51	88	112
Pittsburgh	3,364.8	1.4569	2.72	1,174,402	942,536	345,271	37	476,326	51	82	126
Portland, Ore.	2,123.5	0.9191	2.59	1,211,925	1,036,268	373,257	36	595,505	57	155	76
Portland - Poland Spring	818.1	0.3542	2.72	336,593	319,525	123,027	39	171,864	54	99	90
Presque Isle	90.6	0.0392	3.02	22,604	20,744	8,082	39	11,071	53	66	116
Providence - New Bedford	1,535.9	0.6649	2.76	591,319	519,692	179,809	35	277,491	53	100	100
Quincy - Hannibal	317.0	0.1374	2.69	99,120	76,334	34,542	45	36,353	48	78	124
Raleigh - Durham	1,631.4	0.7065	2.87	482,147	464,278	226,684	49	187,929	40	90	105
Rapid City	264.8	0.1148	2.84	139,827	111,273	36,142	32	68,539	62	103	79
Reno	362.5	0.1572	2.53	181,506	157,224	57,599	37	90,986	58	116	297
Richmond	1,208.3	0.5229	2.80	438,876	426,736	198,342	46	169,917	40	92	100
Roanoke - Lynchburg	1,005.8	0.4352	2.81	279,651	274,061	129,802	47	110,058	40	71	109
Rochester, N.Y.	934.2	0.4045	2.77	390,743	339,032	109,632	32	181,236	53	88	104
Rochester - Mason City - Austin	375.5	0.1626	2.67	153,142	127,369	46,147	36	73,649	58	105	118
Rockford	518.2	0.2243	2.75	212,005	177,428	63,012	36	100,372	57	99	102
Roswell	159.4	0.0689	2.82	50,430	44,375	19,079	43	21,452	48	71	116
Sacramento - Stockton	2,314.8	1.0023	2.65	1,132,584	1,015,980	395,524	39	558,607	55	107	76
St. Joseph	130.1	0.0563	2.61	50,728	44,259	19,520	44	20,016	45	98	96
St. Louis	2,867.3	1.2409	2.76	1,221,145	1,063,966	485,159	46	449,976	42	99	101
Salinas - Monterey	528.3	0.2287	2.84	276,731	253,664	80,397	32	159,491	63	125	76

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ADI Report

ADI Name	12/31/81			1981							
						Fast Food		Restaurant			
	Population (Thous.)	% Of U.S.	Average House-hold Size	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Salisbury	219.1	0.0947	2.72	118,710	107,057	44,656	42	52,122	49	95	71
Salt Lake City	1,680.6	0.7275	3.20	411,426	377,824	163,649	43	196,552	52	77	147
San Angelo	97.6	0.0422	2.76	48,069	42,959	20,479	48	17,122	40	92	73
San Antonio	1,500.2	0.6495	3.01	539,850	479,467	212,479	44	200,801	42	88	97
San Diego	1,955.9	0.8467	2.72	987,893	891,410	360,865	40	490,823	55	131	85
San Francisco	5,152.3	2.2300	2.56	3,114,674	2,796,227	949,321	34	1,605,558	57	128	87
Santa Barbara - Santa Maria - San Luis Obispo	470.5	0.2037	2.65	313,248	293,552	92,403	31	189,152	64	159	64
Savannah	569.0	0.2464	2.98	179,709	163,236	86,966	53	60,555	37	89	107
Seattle - Tacoma	2,897.4	1.2541	2.60	1,734,304	1,544,603	488,141	32	936,192	61	141	72
Selma	53.4	0.0231	3.00	10,063	9,574	5,350	56	3,330	35	51	140
Shreveport - Texarkana	1,216.0	0.5264	2.77	325,794	303,498	145,474	48	116,442	38	69	112
Sioux City	406.2	0.1758	2.73	166,714	125,814	51,384	41	66,248	53	90	104
Sioux Falls - Mitchell	636.9	0.2757	2.74	271,003	209,178	66,669	32	129,797	62	109	97
South Bend - Elkhart	786.5	0.3403	2.79	320,027	269,771	111,348	41	132,597	49	105	96
Spokane	881.5	0.3819	2.68	353,892	288,996	110,126	38	164,285	57	92	100
Springfield, Mass.	648.4	0.2807	2.79	274,919	233,997	75,078	32	114,959	49	76	101
Springfield, Mo.	735.2	0.3184	2.69	228,928	211,379	99,454	47	92,040	44	91	94
Springfield - Decatur - Champaign	888.6	0.3848	2.68	393,305	324,988	136,998	42	155,248	48	103	100
Syracuse	935.7	0.4051	2.83	381,000	325,476	102,091	31	170,662	52	79	106
Tallahassee	441.2	0.1911	2.87	140,600	133,318	59,027	44	62,351	47	82	90
Tampa - St. Petersburg	2,566.0	1.1109	2.45	1,210,523	1,108,004	419,362	38	559,829	51	94	83
Terre Haute	439.5	0.1902	2.67	127,475	105,575	49,344	47	45,887	43	81	115
Toledo	1,138.2	0.4927	2.80	473,618	408,714	166,887	41	198,047	48	100	94
Topeka	356.1	0.1539	2.70	146,585	128,801	63,601	49	55,071	43	118	94
Traverse City - Cadillac	412.6	0.1787	2.75	195,836	147,602	54,443	37	84,959	58	94	93
Tucson	688.8	0.2980	2.70	199,540	176,420	69,141	39	87,925	50	71	133
Tulsa	1,120.1	0.4851	2.64	396,040	374,578	178,829	48	145,155	39	81	100
Tuscaloosa	141.7	0.0614	2.87	46,336	44,595	22,903	51	15,795	35	108	85
Twin Falls	74.3	0.0322	2.81	21,495	19,166	7,786	41	10,454	55	86	108
Tyler	264.0	0.1143	2.81	77,097	75,006	35,803	48	30,310	40	67	105
Utica	376.2	0.1629	2.82	159,162	130,869	49,655	38	61,901	47	84	89
Victoria	71.9	0.0312	2.92	38,086	32,228	16,161	50	13,704	43	95	70
Waco - Temple	614.0	0.2657	2.88	208,413	192,296	91,084	47	76,507	40	101	90
Washington, D.C.	4,087.5	1.7692	2.73	1,931,023	1,832,894	715,819	39	822,812	45	116	102
Watertown - Carthage	227.9	0.0985	2.98	78,485	59,502	19,467	33	33,304	56	67	112
Wausau - Rhinelander	437.4	0.1895	2.84	164,877	110,171	33,159	30	70,861	64	79	126
West Palm Beach	871.6	0.3772	2.44	433,065	385,728	119,244	31	238,532	62	94	91
Wheeling - Steubenville	427.7	0.1851	2.75	143,636	113,355	51,440	45	50,037	44	73	111
Wichita - Hutchinson	1,076.1	0.4660	2.62	496,117	456,727	227,431	50	188,936	41	119	85
Wichita Falls - Lawton	430.2	0.1861	2.79	130,354	120,595	58,201	48	47,988	40	74	98
Wilkes-Barre - Scranton	1,300.9	0.5632	2.73	340,964	276,827	111,912	40	134,360	49	64	140
Wilmington	354.4	0.1532	2.89	87,374	84,611	43,297	51	33,547	40	75	104
Yakima	477.2	0.2066	2.76	234,057	197,034	65,987	33	118,753	60	105	82
Youngstown	773.0	0.3346	2.79	266,068	219,779	97,813	45	101,832	46	77	112
Zanesville	84.5	0.0366	2.77	24,077	18,723	8,211	44	8,569	46	66	137
Total ADIs	229,587.2	99.3843	2.76	95,224,600	84,169,108	33,335,079	40	41,568,593	49	99	100

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For information circle number 102→

Top 100 Restaurant Markets-1981

By metro area

Metro Area Name	Sales ($000)	Ranking
Los Angeles - Long Beach	2,080,830	1
New York	1,905,441	2
Chicago	1,539,772	3
San Francisco - Oakland	1,116,487	4
Boston - Lowell - Brockton - Lawrence - Haverhill	915,370	5
Detroit	861,971	6
Philadelphia	771,890	7
Washington	705,991	8
Anaheim - Santa Ana - Garden Grove	679,668	9
Seattle - Everett	640,521	10
Houston	598,342	11
Dallas - Fort Worth	585,122	12
Minneapolis - St. Paul	527,748	13
San Diego	490,823	14
Nassau - Suffolk	485,182	15
Miami	430,788	16
Fort Lauderdale - Hollywood	407,953	17
St. Louis	398,319	18
Denver - Boulder	386,041	19
Portland, Ore	384,996	20
Cleveland	369,059	21
Pittsburgh	368,830	22
San Jose	359,274	23
Atlanta	354,628	24
Tampa - St. Petersburg	354,625	25
Newark, N.J	326,005	26
Milwaukee	321,067	27
Riverside - San Bernardino - Ontario	320,735	28
Baltimore	301,065	29
Sacramento	286,622	30
Honolulu	280,295	31
Phoenix	278,156	32
Kansas City	276,961	33
Cincinnati	266,872	34
Buffalo	250,950	35
Columbus, Ohio	219,007	36
New Orleans	201,084	37
Hartford - New Britain - Bristol	194,522	38
West Palm Beach - Boca Raton	190,728	39
Rochester, N.Y	183,790	40
Orlando	175,222	41
Bridgeport - Stamford - Norwalk - Danbury	175,198	42
San Antonio	169,519	43
Nashville-Davidson	167,049	44
Albany - Schenectady - Troy	166,012	45
Indianapolis	165,360	46
Providence - Warwick - Pawtucket	152,823	47
Toledo	150,220	48
New Haven - West Haven - Waterbury - Meriden	146,439	49
Grand Rapids	146,149	50
Louisville	143,844	51
Oklahoma City	140,436	52
Dayton	135,894	53
Akron	133,764	54
Santa Barbara - Santa Maria - Lompoc	133,639	55
Omaha	129,216	56
Syracuse	125,983	57
Austin	118,296	58
Norfolk - Virginia Beach - Portsmouth	117,900	59
Richmond	114,451	60
Las Vegas	114,083	61
Memphis	113,896	62
Oxnard - Simi Valley - Ventura	113,675	63
Portsmouth - Dover - Rochester	113,083	64
Greensboro - Winston-Salem - High Point	112,376	65
Jacksonville, Fla	112,137	66
Birmingham	111,860	67
Gary - Hammond - East Chicago	110,832	68
Long Branch - Asbury Park	109,445	69
Salt Lake City - Ogden	109,355	70
Springfield - Chicopee - Holyoke	103,932	71
Worcester - Fitchburg - Leominster	102,036	72
Fresno	101,737	73
Salinas - Seaside - Monterey	99,797	74
Tacoma	99,534	75
Tulsa	97,753	76
Bakersfield	95,979	77
Fort Wayne	94,217	78
Allentown - Bethlehem - Easton	93,167	79
Charlotte - Gastonia	91,844	80
Raleigh - Durham	91,146	81
Madison	89,406	82
Northeast Pennsylvania	89,315	83
Sarasota	88,989	84
Wichita	88,034	85
Flint	84,760	86
Newport News - Hampton	83,666	87
Vallejo - Fairfield - Napa	83,177	88
Harrisburg	81,676	89
Spokane	81,595	90
New Bedford - Fall River	81,523	91
Wilmington, Del	80,514	92
Paterson - Clifton - Passaic	79,752	93
Daytona Beach	79,457	94
Santa Rosa	79,258	95
Albuquerque	79,223	96
Greenville - Spartanburg	78,749	97
Davenport - Rock Island - Moline	77,366	98
Lansing - East Lansing	77,100	99
New Brunswick - Perth Amboy - Sayreville	76,020	100

By ADI

ADI Name	Sales ($000)	Ranking
New York	3,449,376	1
Los Angeles	3,028,843	2
Chicago	1,763,553	3
San Francisco	1,605,558	4
Boston	1,338,963	5
Philadelphia	1,217,826	6
Detroit	943,136	7
Seattle - Tacoma	936,192	8
Miami	862,121	9
Washington, D.C	822,812	10
Cleveland	693,940	11
Minneapolis - St. Paul	682,498	12
Houston	664,014	13
Dallas - Ft. Worth	640,343	14
Portland, Ore	595,505	15
Tampa - St. Petersburg	559,829	16
Sacramento - Stockton	558,607	17
Denver	543,234	18
San Diego	490,823	19
Pittsburgh	476,326	20
St. Louis	449,976	21
Atlanta	434,217	22
Milwaukee	411,990	23
Hartford - New Haven	403,393	24
Orlando - Daytona Beach	364,164	25
Phoenix	342,604	26
Baltimore	330,852	27
Kansas City	329,532	28
Buffalo	326,991	29
Cincinnati	310,494	30
Grand Rapids - Kalamazoo - Battle Creek	301,202	31
Indianapolis	299,405	32
Columbus, Ohio	277,769	33
Providence - New Bedford	277,491	34
Albany - Schenectady - Troy	253,157	35
New Orleans	240,889	36
Nashville	239,523	37
West Palm Beach	238,532	38
Norfolk - Portsmouth - Newport News - Hampton	225,837	39
Flint - Saginaw - Bay City	212,720	40
Oklahoma City	206,981	41
Harrisburg - York - Lancaster - Lebanon	203,029	42
Charlotte	201,661	43
San Antonio	200,801	44
Toledo	198,047	45
Dayton	197,859	46
Salt Lake City	196,552	47
Fresno	191,596	48
Santa Barbara - Santa Maria - San Luis Obispo	189,152	49
Wichita - Hutchinson	188,936	50
Raleigh - Durham	187,929	51
Louisville	185,876	52
Rochester, N.Y	181,236	53
Green Bay	180,582	54
Omaha	176,544	55
Palm Springs	173,673	56
Portland - Poland Spring	171,864	57
Des Moines	171,682	58
Syracuse	170,662	59
Richmond	169,917	60
Greenville - Spartanburg - Asheville	169,374	61
Spokane	164,285	62
Albuquerque	163,761	63
Cedar Rapids - Waterloo	160,255	64
Salinas - Monterey	159,491	65
Memphis	155,293	66
Springfield - Decatur - Champaign	155,248	67
Davenport - Rock Island - Moline	151,349	68
Greensboro - Winston-Salem - High Point	147,381	69
Tulsa	145,155	70
Jacksonville	144,450	71
Birmingham	140,084	72
Wilkes-Barre - Scranton	134,360	73
Burlington - Plattsburgh	132,788	74
South Bend - Elkhart	132,597	75
Lincoln - Hastings - Kearney	129,909	76
Austin, Tex.	129,869	77
Sioux Falls - Mitchell	129,797	78
Madison	128,342	79
Charleston - Huntington	125,862	80
Mobile - Pensacola	124,628	81
Ft. Wayne	124,226	82
Knoxville	119,628	83
Yakima	118,753	84
Little Rock	118,343	85
Shreveport - Texarkana	116,442	86
Springfield, Mass	114,959	87
Las Vegas	114,639	88
Fargo	112,689	89
Roanoke - Lynchburg	110,058	90
Paducah - Cape Girardeau - Harrisburg	106,273	91
Youngstown	101,832	92
Eugene	101,543	93
Rockford	100,372	94
Lansing	98,136	95
Bakersfield	95,979	96
Peoria	95,407	97
Lexington	94,323	98
Ft. Myers - Naples	92,118	99
Springfield, Mo.	92,040	100

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Top 100 Fast Food Markets-1981

By metro area

Metro Area Name	Sales ($000)	Ranking
Los Angeles - Long Beach	1,295,973	1
Chicago	1,110,025	2
New York	1,003,770	3
Dallas - Fort Worth	698,992	4
Houston	698,328	5
Detroit	671,425	6
San Francisco - Oakland	605,098	7
Washington	593,916	8
Philadelphia	560,497	9
Boston - Lowell - Brockton - Lawrence Haverhill	511,614	10
Atlanta	478,504	11
St. Louis	434,646	12
Anaheim - Santa Ana - Garden Grove	429,437	13
Baltimore	367,084	14
San Diego	360,865	15
Minneapolis - St. Paul	340,851	16
Seattle - Everett	319,048	17
Kansas City	311,588	18
Nassau - Suffolk	304,206	19
Riverside - San Bernardino - Ontario	279,745	20
Tampa - St. Petersburg	276,223	21
Cleveland	273,501	22
San Jose	266,917	23
Cincinnati	260,907	24
Portland, Ore.	247,061	25
Pittsburgh	246,073	26
Miami	239,832	27
Denver - Boulder	235,010	28
Columbus, Ohio	231,841	29
Indianapolis	230,065	30
Louisville	202,126	31
Phoenix	202,061	32
Sacramento	201,058	33
Honolulu	200,733	34
Oklahoma City	198,372	35
Milwaukee	198,055	36
Newark, N.J.	195,411	37
Fort Lauderdale - Hollywood	193,266	38
New Orleans	181,355	39
San Antonio	175,740	40
Buffalo	169,460	41
Norfolk - Virginia Beach - Portsmouth	169,111	42
Orlando	161,581	43
Hartford - New Britain - Bristol	158,854	44
Dayton	150,942	45
Jacksonville, Fla.	143,462	46
Greensboro - Winston-Salem - High Point	140,081	47
Birmingham	139,601	48
Nashville-Davidson	139,367	49
Richmond	130,803	50
Memphis	128,602	51
Austin	127,983	52
Tulsa	123,605	53
Wichita	122,492	54
Toledo	122,319	55
Charlotte - Gastonia	118,128	56
Greenville - Spartanburg	113,306	57
Akron	113,143	58
Gary - Hammond - East Chicago	111,939	59
Rochester, N.Y.	111,242	60
New Haven - West Haven - Waterbury - Meriden	110,234	61
Salt Lake City - Ogden	107,818	62
Raleigh - Durham	99,873	63
Omaha	99,682	64
Albany - Schenectady - Troy	97,535	65
Oxnard - Simi Valley - Ventura	88,700	66
Bridgeport - Stamford - Norwalk - Danbury	86,106	67
Fresno	86,078	68
Providence - Warwick - Pawtucket	85,496	69
Allentown - Bethlehem - Easton	84,550	70
West Palm Beach - Boca Raton	82,665	71
Beaumont - Port Arthur - Orange	79,007	72
Knoxville	78,347	73
New Brunswick - Perth Amboy - Sayreville	77,520	74
Harrisburg	77,167	75
Grand Rapids	77,136	76
Lansing - East Lansing	76,592	77
Syracuse	76,054	78
Youngstown - Warren	75,343	79
Albuquerque	74,329	80
Flint	74,115	81
Columbia, S.C.	73,771	82
Lexington-Fayette	73,768	83
Portsmouth - Dover - Rochester	72,512	84
Las Vegas	72,322	85
Davenport - Rock Island - Moline	71,073	86
Little Rock - North Little Rock	70,884	87
Wilmington, Del.	70,284	88
Charleston - North Charleston, S.C.	70,232	89
New Bedford - Fall River	69,801	90
Des Moines	69,550	91
Baton Rouge	68,632	92
Bakersfield	67,978	93
Fort Wayne	67,277	94
Springfield - Chicopee - Holyoke	67,207	95
Newport News - Hampton	66,864	96
Worcester - Fitchburg - Leominster	66,817	97
Johnson City - Kingsport - Bristol	66,743	98
Madison	65,804	99
Tacoma	65,793	100

By ADI

ADI Name	Sales ($000)	Ranking
Los Angeles	1,991,220	1
New York	1,944,735	2
Chicago	1,323,298	3
San Francisco	949,321	4
Philadelphia	869,224	5
Houston	776,838	6
Dallas - Ft. Worth	763,900	7
Boston	739,361	8
Detroit	732,382	9
Washington, D.C.	715,819	10
Atlanta	614,316	11
Cleveland	564,004	12
Seattle - Tacoma	488,141	13
St. Louis	485,159	14
Miami	450,969	15
Tampa - St. Petersburg	419,362	16
Minneapolis - St. Paul	417,810	17
Sacramento - Stockton	395,524	18
Baltimore	390,493	19
Indianapolis	374,845	20
Portland, Ore.	373,257	21
Kansas City	365,763	22
San Diego	360,865	23
Pittsburgh	345,271	24
Cincinnati	329,161	25
Denver	316,354	26
Hartford - New Haven	309,452	27
Orlando - Daytona Beach	300,588	28
Columbus, Ohio	287,624	29
Oklahoma City	277,130	30
Norfolk - Portsmouth - Newport News - Hampton	267,545	31
Charlotte	259,714	32
Louisville	252,375	33
Milwaukee	244,061	34
Phoenix	237,429	35
New Orleans	235,198	36
Greenville - Spartanburg - Asheville	228,334	37
Wichita - Hutchinson	227,431	38
Raleigh - Durham	226,684	39
Nashville	220,784	40
Buffalo	215,648	41
San Antonio	212,479	42
Dayton	210,362	43
Richmond	198,342	44
Grand Rapids - Kalamazoo - Battle Creek	192,822	45
Greensboro - Winston-Salem - High Point	185,639	46
Birmingham	183,327	47
Jacksonville	183,163	48
Memphis	180,937	49
Providence - New Bedford	179,809	50
Tulsa	178,829	51
Harrisburg - York - Lancaster - Lebanon	176,850	52
Toledo	166,887	53
Flint - Saginaw - Bay City	165,286	54
Salt Lake City	163,649	55
Charleston - Huntington	160,026	56
Mobile - Pensacola	159,218	57
Little Rock	154,392	58
Knoxville	150,844	59
Albany - Schenectady - Troy	150,758	60
Des Moines	146,609	61
Shreveport - Texarkana	145,474	62
Austin, Tex.	141,657	63
Fresno	140,771	64
Albuquerque	139,836	65
Davenport - Rock Island - Moline	137,286	66
Springfield - Decatur - Champaign	136,998	67
Omaha	134,722	68
Lexington	133,769	69
Roanoke - Lynchburg	129,802	70
Cedar Rapids - Waterloo	125,044	71
Portland - Poland Spring	123,027	72
West Palm Beach	119,244	73
Wilkes-Barre - Scranton	111,912	74
Paducah - Cape Girardeau - Harrisburg	111,780	75
South Bend - Elkhart	111,348	76
Spokane	110,126	77
Rochester, N.Y.	109,632	78
Palm Springs	107,265	79
Columbia, S.C.	103,825	80
Syracuse	102,091	81
Green Bay	100,104	82
Springfield, Mo.	99,454	83
Chattanooga	98,707	84
Youngstown	97,813	85
Evansville	97,674	86
Ft. Wayne	96,960	87
Lincoln - Hastings - Kearney	95,355	88
Peoria	92,931	89
Santa Barbara - Santa Maria - San Luis Obispo	92,403	90
Amarillo	91,228	91
Lansing	91,194	92
Waco - Temple	91,084	93
Jackson, Miss.	90,232	94
Huntsville - Decatur - Florence	89,404	95
Bristol - Kingsport - Johnson City	87,310	96
Savannah	86,966	97
Beaumont - Port Arthur	84,507	98
Baton Rouge	84,309	99
Madison	84,024	100

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Top 100 RAI Markets-1981

By metro area

Metro Area Name	RAI	Ranking
Honolulu	223	1
Ann Arbor	215	2
Bellingham	204	3
Grand Rapids	179	4
Bryan - College Station	176	5
Portland, Ore	172	6
Santa Barbara - Santa Maria - Lompoc	172	6
Madison	166	8
Panama City	166	8
Columbia, Mo	165	10
La Crosse	163	11
Wichita	162	12
Salem	161	13
Seattle - Everett	158	14
Sioux Falls	156	15
Champaign - Urbana - Rantoul	155	16
Fargo - Moorhead	155	16
Lincoln	145	18
Salinas - Seaside - Monterey	144	19
Lafayette - West Lafayette	143	20
Fort Wayne	142	21
Dallas - Fort Worth	141	22
Jacksonville, N.C	141	22
Daytona Beach	140	24
Kansas City	140	24
Anaheim - Santa Ana - Garden Grove	138	26
Anchorage	138	26
Eau Claire	138	26
Sarasota	138	26
Battle Creek	136	30
San Francisco - Oakland	136	30
Kalamazoo - Portage	135	32
Grand Forks	134	33
St. Cloud	133	34
Springfield, Mo	133	34
Burlington, Vt	132	36
Fort Lauderdale - Hollywood	132	36
Iowa City	131	38
Newport News - Hampton	131	38
San Diego	131	38
Fort Walton Beach	130	41
Jackson, Mich	130	41
Minneapolis - St. Paul	130	41
Chicago	129	44
Kankakee	129	44
Atlanta	128	46
Gainesville	128	46
Omaha	128	46
Saginaw	128	46
Bloomington - Normal	127	50
Rochester, Minn	127	50
South Bend	127	50
Boston - Lowell - Brockton - Lawrence - Haverhill	126	53
Washington	126	53
Lawrence, Kans	125	55
San Jose	125	55
Austin	124	57
Bloomington, Ind	124	57
Columbus, Ohio	124	57
Los Angeles - Long Beach	124	57
Montgomery	123	61
Spokane	123	61
Davenport - Rock Island - Moline	122	63
Lansing - East Lansing	122	63
Eugene - Springfield	120	65
Evansville	120	65
Reno	119	67
Athens	118	68
Amarillo	117	69
Tacoma	117	69
Hartford - New Britain - Bristol	116	71
Melbourne - Titusville - Cocoa	116	71
Raleigh - Durham	116	71
Sacramento	116	71
Albuquerque	115	75
Bismarck	115	75
Cedar Rapids	115	75
Dubuque	115	75
Riverside - San Bernardino - Ontario	114	79
Indianapolis	113	80
Kokomo	113	80
Lubbock	113	80
Muncie	113	80
Muskegon - Norton Shores - Muskegon Heights	113	80
Santa Cruz	113	80
Boise	112	86
Oklahoma City	112	86
Rockford	112	86
Savannah	112	86
Atlantic City	111	90
Enid	111	90
Greensboro - Winston-Salem - High Point	111	90
Norfolk - Virginia Beach - Portsmouth	111	90
Tallahassee	111	90
Dayton	110	95
Elkhart	110	95
Miami	110	95
New York	110	95
Orlando	110	95
Topeka	110	95

By ADI

ADI Name	RAI	Ranking
Santa Barbara - Santa Maria - San Luis Obispo	159	1
Portland, Ore	155	2
Lafayette, Ind	143	3
Seattle - Tacoma	141	4
Madison	137	5
Grand Rapids - Kalamazoo - Battle Creek	133	6
San Diego	131	7
Lansing	130	8
San Francisco	128	9
Kansas City	126	10
Chicago	125	11
Dallas - Ft. Worth	125	11
Salinas - Monterey	125	11
Los Angeles	124	14
Minneapolis - St. Paul	122	15
Miami	120	16
Wichita - Hutchinson	119	17
Boston	118	18
North Platte	118	18
Topeka	118	18
Fargo	117	21
Lima	117	21
La Crosse - Eau Claire	116	23
Reno	116	23
Washington, D.C	116	23
Austin, Tex	115	26
Eugene	115	26
Ft. Wayne	115	26
Lincoln - Hastings - Kearney	114	29
Columbus, Ohio	113	30
Palm Springs	112	31
Atlanta	111	32
Gainesville	111	32
Omaha	111	32
Hartford - New Haven	109	35
Sioux Falls - Mitchell	109	35
Orlando - Daytona Beach	108	37
Panama City	108	37
Tuscaloosa	108	37
Indianapolis	107	40
Norfolk - Portsmouth - Newport News - Hampton	107	40
Sacramento - Stockton	107	40
Cedar Rapids - Waterloo	106	43
Davenport - Rock Island - Moline	106	43
Detroit	105	45
Rochester - Mason City - Austin	105	45
South Bend - Elkhart	105	45
Yakima	105	45
Columbia - Jefferson City	104	49
Peoria	104	49
Biloxi - Gulfport - Pascagoula	103	51
Florence, S.C	103	51
Rapid City	103	51
Springfield - Decatur - Champaign	103	51
Denver	102	55
Waco - Temple	101	56
Alexandria, Minn	100	57
Dayton	100	57
Mankato	100	57
Milwaukee	100	57
Providence - New Bedford	100	57
Toledo	100	57
Bend	99	63
Green Bay	99	63
Houston	99	63
Joplin - Pittsburg	99	63
Portland - Poland Spring	99	63
Rockford	99	63
St. Louis	99	63
Cincinnati	98	70
Erie	98	70
St. Joseph	98	70
Greensboro - Winston-Salem - High Point	97	73
Albuquerque	96	74
Las Vegas	95	75
New York	95	75
Oklahoma City	95	75
Philadelphia	95	75
Salisbury	95	75
Victoria	95	75
Des Moines	94	81
Flint - Saginaw - Bay City	94	81
Louisville	94	81
Medford	94	81
Tampa - St. Petersburg	94	81
Traverse City - Cadillac	94	81
West Palm Beach	94	81
Charleston, S.C	93	88
Cleveland	93	88
Amarillo	92	90
Cheyenne	92	90
El Paso	92	90
Richmond	92	90
San Angelo	92	90
Spokane	92	90
Bakersfield	91	96
Burlington - Plattsburgh	91	96
Eureka	91	96
Springfield, Mo	91	96
Boise	90	100
Jacksonville	90	100
Raleigh - Durham	90	100
Sioux City	90	100

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Top 100 RGI Markets-1981

By metro area

Metro Area Name	RGI	Ranking
Las Vegas	504	1
Reno	257	2
Atlantic City	208	3
Provo - Orem	175	4
Williamsport	163	5
Jersey City	160	6
Johnstown	160	6
Alexandria, La	154	8
Wausau	148	9
Salt Lake City - Ogden	147	10
Trenton	145	11
Steubenville - Weirton	142	12
Lorain - Elyria	140	13
Rochester, Minn	138	14
Florence, S.C.	136	15
Erie	133	16
Baton Rouge	131	17
Colorado Springs	130	18
Tucson	129	19
New York	128	20
Pascagoula - Moss Point	128	20
Sheboygan	128	20
Northeast Pennsylvania	127	23
Monroe	124	24
Elmira	123	25
Memphis	123	25
Newark, N.J.	123	25
New Orleans	123	25
Pittsburgh	123	25
Springfield, Ohio	122	30
Great Falls	121	31
Lancaster	121	31
Philadelphia	121	31
Greeley	120	34
Pittsfield	120	34
Springfield, Ill	119	36
Kenosha	118	37
Pine Bluff	118	37
Pueblo	118	37
Huntington - Ashland	117	40
Knoxville	117	40
Providence - Warwick - Pawtucket	117	40
Billings	116	43
Chattanooga	116	43
Jackson, Mich	116	43
Little Rock - North Little Rock	116	43
New Brunswick - Perth Amboy - Sayreville	116	43
Danville, Va	115	48
Hagerstown	115	48
Shreveport	115	48
Wilmington, Del	115	48
York	115	48
Decatur	114	53
Sharon	114	53
Casper	113	55
Vineland - Millville - Bridgeton	113	55
Duluth - Superior	112	57
Newark, Ohio	111	58
Phoenix	111	58
Albany, Ga	110	60
Harrisburg	110	60
Mobile	110	60
Appleton - Oshkosh	109	63
Lynchburg	109	63
Racine	109	63
Cleveland	108	66
Poughkeepsie	108	66
Worcester - Fitchburg - Leominster	108	66
Asheville	107	69
Hamilton - Middletown	107	69
Miami	107	69
New London - Norwich	107	69
Reading	107	69
Salisbury - Concord	107	69
Redding	106	75
Sherman - Denison	106	75
Youngstown - Warren	106	75
Altoona	105	78
Birmingham	105	78
Bridgeport - Stamford - Norwalk - Danbury	105	78
Charlotte - Gastonia	105	78
Des Moines	105	78
Hartford - New Britain - Bristol	105	78
Orlando	105	78
Rochester, N.Y.	105	78
Anderson, S.C.	104	86
Bangor	104	86
Bloomington - Normal	104	86
Chicago	104	86
Topeka	104	86
Tulsa	104	86
Visalia - Tulare - Porterville	104	86
Albuquerque	103	93
Allentown - Bethlehem - Easton	103	93
Corpus Christi	103	93
Denver - Boulder	103	93
Parkersburg - Marietta	103	93
Charlottesville	102	98
Jacksonville, Fla	102	98
Lake Charles	102	98
Midland	102	98
Milwaukee	102	98
Minneapolis - St. Paul	102	98
Nashville-Davidson	102	98
Peoria	102	98
Petersburg - Colonial Heights - Hopewell	102	98
Sioux City	102	98
Washington	102	98

By ADI

ADI Name	RGI	Ranking
Las Vegas	503	1
Reno	297	2
Alexandria, La	168	3
Glendive, Mt	155	4
Salt Lake City	147	5
Monroe - El Dorado	146	6
Bluefield - Beckley - Oak Hill	142	7
Selma	140	8
Wilkes-Barre - Scranton	140	8
Greenwood - Greenville	139	10
Great Falls	137	11
Zanesville	137	11
Idaho Falls - Pocatello	136	13
Meridian	135	14
Tucson	133	15
Baton Rouge	131	16
Memphis	131	16
Erie	130	18
Billings - Hardin	128	19
Colorado Springs - Pueblo	127	20
Missoula - Butte	127	20
Pittsburgh	126	22
Wausau - Rhinelander	126	22
Helena	125	24
Albany, Ga	124	25
Quincy - Hannibal	124	25
Elmira	123	27
Lafayette, La	123	27
Casper - Riverton	122	29
Charleston - Huntington	122	29
Johnstown - Altoona	121	31
Columbus - Tupelo	120	32
Jackson, Miss	120	32
Little Rock	120	32
Philadelphia	120	32
Cheyenne	119	36
New York	119	36
Farmington	118	38
Jackson, Tenn	118	38
Minot - Bismarck - Dickinson	118	38
Rochester - Mason City - Austin	118	38
Ardmore - Ada	117	42
Chattanooga	117	42
Clarksburg - Weston	117	42
Lake Charles	117	42
New Orleans	117	42
Harrisburg - York - Lancaster - Lebanon	116	47
Jonesboro	116	47
Knoxville	116	47
Presque Isle	116	47
Roswell	116	47
Evansville	115	52
Terre Haute	115	52
Binghamton	114	54
Bristol - Kingsport - Johnson City	114	54
Duluth - Superior	114	54
Montgomery	114	54
Phoenix	112	58
Shreveport - Texarkana	112	58
Watertown - Carthage	112	58
Youngstown	112	58
Burlington - Plattsburgh	111	62
Wheeling - Steubenville	111	62
Birmingham	110	64
Augusta	109	65
Bowling Green	109	65
Dothan	109	65
Huntsville - Decatur - Florence	109	65
Nashville	109	65
Roanoke - Lynchburg	109	65
Twin Falls	108	71
Florence, S.C.	107	72
Peoria	107	72
Savannah	107	72
Syracuse	106	75
Charlotte	105	76
Columbia, S.C.	105	76
Columbus, Ga	105	76
Raleigh - Durham	105	76
Tyler	105	76
Abilene - Sweetwater	104	81
Harrisonburg	104	81
Hartford - New Haven	104	81
Jacksonville	104	81
Milwaukee	104	81
Minneapolis - St. Paul	104	81
Ottumwa - Kirksville	104	81
Rochester, N.Y.	104	81
Sioux City	104	81
Wilmington	104	81
Bangor	103	91
Cleveland	103	91
Des Moines	103	91
Greenville - Spartanburg - Asheville	103	91
Marquette	103	91
Mobile - Pensacola	103	91
Paducah - Cape Girardeau - Harrisburg	103	91
Parkersburg	103	91
Albuquerque	102	99
Alexandria, Minn	102	99
Chicago	102	99
Denver	102	99
Green Bay	102	99
Rockford	102	99
Washington, D.C.	102	99